



Daily Report

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Daily Report

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NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

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General

Seminar Urges Greater South-South Cooperation

HK1807082391 Beijing RENMIN RIBAO in Chinese
15 Jul 91 p 7

[“Trends in Academic International Studies” column by reporter Li Hong (2621 4767); “South Commission and China International Studies Institute Hold Seminar on Strengthening South-South Cooperation and Promoting Establishment of New International Order”]

[Text] Recently, the South Commission and China International Studies Institute held a seminar in Beijing to discuss issues in establishing a new international order and South-South cooperation. More than 40 well-known specialists, scholars, and social activists from the South Commission, including Carlos Rodriguez, vice president of the Council of State of Cuba; Sastro Wijoyo, adviser to the Indonesian president; Qian Jiadong, vice president of the China International Studies Research Center; and Professor Wu Dakun of the Chinese People's University, attended the seminar and had a lively discussion on the above issues. Nyerere, chairman, and Qian Jiadong, member, of the Commission, presided over the seminar.

The participants held that the world is now in a transitional period characterized by the replacement of the old pattern by the new and is developing toward multipolarity. The gap between South and North in the economic field is expanding, and the South faces a grim situation. There is also a big gap between the foreign aid provided by the developed countries and targets set by the United Nations. Moreover, countries receiving aid have had to accept harsher terms. The developed countries have even linked their aid with the concepts of “democracy” and “human rights,” trying to impose their value concepts on South countries.

In view of this grim international situation, participants held that South states should further adopt a harmonious stand and strengthen cooperation so that they can protect their vital interests. First, by strengthening South-South cooperation, the self-reliant collective ability of various states of the South will be enhanced.

Second, only by strengthening cooperation can states of the South play a greater role in international affairs and enhance their position in negotiations with states of the North. Participants pointed out that in the contemporary world, all countries are interdependent. But between South and North, there is an inappropriate relationship of interdependence. The South should cooperate with the North, but should never yield to pressure from the North.

Participants also held that the states of the South should establish a permanent secretariat to promote South-South cooperation and to strengthen consultation and the unity of states of the South in South-North dialogue.

On the question of establishing a new international order, the participants pointed out that there are more

than 100 independent sovereign states in the world today. It is obviously wrong to allow one or several big powers to dominate the world and to impose the systems and value concepts of the Western countries on all other countries because it runs counter to the trend of our times. The attempt to pursue hegemonism and power politics in the name of establishing a new world order is a challenge the world is facing today.

Participants pointed out: States of the South have a stronger desire than others for establishing a fair and rational new international political and economic order. As early as the 1950's, China and other Asian and African countries already put forth the five principles for peaceful coexistence and the 10 principles of the Bandung Conference and proposed establishing a new-type international relationship. Now in the 1990's, there are more voices in the international community for establishing a new political and economic order. This reflects the awakening and progress of the world's peoples and represents the orientation of the world's future development. However, the establishment of a new international order will be a long-term, arduous, and complicated struggle. It will go through a long historical course. Strengthening South-South cooperation will be conducive to promoting the establishment of a new international political and economic order.

Seminar Studies World Structure, Latin America

HK1807063491 Beijing RENMIN RIBAO in Chinese
13 Jul 91 p 7

[Report by Li Zhiming (2621 1807 2494); “Seminar on ‘New World Structure, Latin America’ Held in Beijing”]

[Text] The seventh annual conference of the Chinese Society on Latin American Studies was held in Beijing recently. At the same time, the society joined hands with the Chinese Academy of Social Sciences' Institute of Research on Latin America to hold an academic seminar entitled: “New World Structure and Latin America.” Some 40 experts and scholars on Latin American research as well as concerned comrades from the diplomatic, economic and trade, and press circles took part in the seminar, during which they held intense discussions on the effects of a changing world structure on Latin America and the choices and developments in a Latin America, faced with a new situation.

It was widely maintained by the participants that the drastic changes in the international situation offer both a challenge and an opportunity to Latin America. On one hand, after the collapse of the old balance of power, the Latin American states are concerned that diminishing room for maneuvering in international politics will give way to increased intervention and pressure from various powers; at the same time, owing to the changes in the flow of international capital and the growing trend toward collectivization in the world economy, the Latin American region, where most countries are in economic straits, will face more serious problems.

At the same time, given the great climate of change on the international scene, certain conflicts in the Latin American region may ease up and a period of comparative peace and stability may emerge. Under such a complicated internal and external situation, coupled with the development toward collectivization in the world economy, the process of integration among the Latin American countries has also been revitalized and its pace accelerated. This is beneficial to the efforts of the Latin American countries to overcome their problems and develop their economies.

The participants focused on relations between the United States and Latin America, holding that the "American endeavor proposal" presented by President Bush reflected a major readjustment of U.S. policy on Latin America under the new situation and constituted a strategic deployment by the United States. The Latin American countries reacted positively to the Bush proposal. The principal feature of future U.S.-Latin American relations will be interdependence and replacement of confrontation by dialogues. The motives and positions of the two sides, however, are different, and conflicts of varying degrees will continue to appear. Everyone agreed that the new advances toward Latin American integration are also linked to closer U.S.-Latin American ties.

Some experts pointed out that the unknown factors in international relations have risen and that Latin American states are redefining their positions as they seek to adapt to a changing world. In the final analysis, national interest and self-development will serve as their fundamental starting points. The aspirations and demands of Latin American states for the establishment of a new international political and economic order will not change, although the manner of expression will differ from that of the past.

The participants also analyzed and predicted the trend in Latin America's economic development, with many holding that the 1990s will not become another "lost decade" and that at the latest, the second half of the 1990s will see a fairly rapid growth in the Latin American economy.

Roundup on Gorbachev Achievements in London

*OW1907044891 Beijing XINHUA in English
0247 GMT 19 Jul 91*

[“Roundup” by Wang Shengliang: “Gorbachev Gets Few Aid But ‘Advice’ From G-7”]

[Text] London, July 18 (XINHUA)—Soviet President Mikhail Gorbachev was returning home with no massive financial aid from leaders of the seven industrialized nations despite some technical promises.

Gorbachev came to London Tuesday evening to meet the leaders who were attending the summit of the Group

of Seven (G-7) to discuss his plan for the Soviet economic reform in the hope of getting more financial assistance from the West to breathe a new life into the worsening Soviet economy.

While putting his reform plan before the Western leaders, Gorbachev, stressing "understanding," urged the West "to remove the roadblocks" in order to solve "a great deal" of problems piled up by the confrontation over years.

Gorbachev's mission to London to seek Western assistance for his economic reforms overshadowed the three-day summit of the G-7—the United States, Japan, Germany, France, Britain, Italy and Canada.

Days before his arrival, he sent a letter to the G-7 leaders sketching out his new ideas on the Soviet economic reforms. He promised in the letter his commitment to land reform and ownership, privatization of 80 percent of small businesses, a huge conversion of military plants into peaceful commercial use, stabilizing the ruble, and political reforms.

However, the issue of whether to provide large amount of financial aid to the Soviet Union split the Group of Seven, with Germany, France and Italy in favour of it and the United States, Japan and Britain holding it back.

U.S. President George Bush said "no blank cheque" would be given to the Soviet Union until it embarks itself on the road of "an irreversible market economy." Japan was worried about that it would lose its card in retrieving four northern islands from the Soviet Union.

Nevertheless, Gorbachev did not ask for aid to avoid embarrassing the Western leaders. He said, "we are not even talking about assistance, we are talking about the new quality of cooperation when we are an organic part of this world economic space."

"We are going through a difficult time now, we shall find our way through this, we shall extricate ourselves, whether you help us or not," the Soviet president said.

After "informal, frank and very direct" cross-table discussions, the Group of Seven did have promised help for the Soviet Union. [sentence as received] British Prime Minister John Major listed six points on which the G-7 agreed to assist the Soviet Union.

- The Soviet Union was being granted special status with the International Monetary Fund (IMF) and the World Bank.
- The G-7 was asking for all international institutions to work closely together and intensify efforts to support the Soviet Union with advice and expertise to help it create a market economy.
- The G-7 agreed on the need to intensify technical assistance particularly in energy, converting defense industries to peaceful use, food distribution and nuclear safety.
- Efforts would be made to promote trade.

- In a follow-up to Wednesday's meeting the chairman of the G-7 summit should keep in close touch with developments. Major would visit Moscow before the end of this year.
- Financial ministers from the G-7 would go to the Soviet Union to study the Soviet reform.

German Chancellor Helmut Kohl also extended an invitation to Gorbachev to attend the next Group-7 meeting slated to be held in Munich in July, 1992. It was not immediately clear whether Gorbachev would attend it as a full participant, or whether he would join the other leaders for discussions after the summit, as he did in London Wednesday.

Satisfied with the results of the summit, Kohl said Gorbachev was "firmly determined to continue the course he has taken."

Earlier today, Canadian Prime Minister Brian Mulroney announced the lifting of a freeze on 130 million U.S. dollars of food credits to the Soviet Union as a follow-up of the G-7 package.

Conference sources said Gorbachev had produced no more new ideas than those involved in his letter sent to the G-7 leaders before the London summit.

To show his good will, Gorbachev clinched an agreement in principle with Bush on a treaty to cut about 30 percent of their strategic nuclear warheads, ending their almost 10 years of prolonged negotiations. He invited Bush to come to Moscow on July 30-31 for a summit during which they will sign the Strategic Arms Reduction Treaty (START).

Gorbachev's meeting with G-7 leaders was described in the West as "unprecedented" and "a landmark." Prime Minister Major said the G-7 has built a partnership with the Soviet Union "on a new and better footing."

Press reports here said that Gorbachev has stuck his foot in the door and is staking a claim to membership of the Group of Seven. But the equation "seven plus one equals eight" does not add up. At least not yet. Major said the dialogue will continue but "it is too early to say" that the world top economic club becomes "Seven Plus One."

But Gorbachev knows the logic. He admitted, "I did not altogether succeed." "I would say that we have reached the first stage of understanding."

Gorbachev—Aid 'Great Step'

*OW1807180491 Beijing XINHUA in English
1452 GMT 18 Jul 91*

[Text] London, July 18 (XINHUA)—Soviet President Mikhail Gorbachev today said that the aid offered by the G7 nations represents a 'great step forward' in the Soviet Union's integration into the world economy.

Speaking on BBC television, the Soviet leader said a major part of the USSR's aim of integration was the development of new contacts and cooperation with the West.

'If all these elements work together ... I believe that the process of reform will be more successful,' he said.

Gorbachev was lunching at 10 Downing Street after talks with British Prime Minister John Major, who, as current G. chairman, will personally monitor the process of the Soviet economic reforms with a Western aid package agreed upon by the G7 leaders at the London summit.

The G7 aid package includes special IMF status for the Soviet Union, promoting trade, technical assistance and switching defence cash to civilian use.

UK's Lamont To Visit USSR

*OW1807214891 Beijing XINHUA in English
2050 GMT 18 Jul 91*

[Text] London, July 18, (XINHUA)—British Chancellor Norman Lamont is to visit the Soviet Union before the end of this month as part of the G-7 initiative to help the process of Soviet economic reform.

British Prime Minister John Major made the announcement here today after his talks with Soviet President Mikhail Gorbachev at Downing Street.

Meanwhile John Major revealed that the British-Soviet know-how fund would be doubled to 20 million British pounds in 1992-93 and continued at that level for an extra year in 1993-94.

He also said that a senior British Employment Department mission would go to the USSR on Sunday to assist business project. [sentence as received]

U.S.-USSR Arms Treaty Talks Examined

*HK1907042491 Beijing RENMIN RIBAO in Chinese
18 Jul 91 p 6*

[Article by staff reporter Zhang Qixin (1728 0796 2500): "Baker-Bessmertnykh Talks, Strategic Arms Treaty"]

[Text] Washington, 15 Jul (RENMIN RIBAO)—Soviet Foreign Minister Bessmertnykh recently visited Washington, where he met with U.S. President Bush and held a four-day meeting with U.S. Secretary of State Baker on the issue of the U.S.-USSR strategic arms reduction treaty. The two men sought to iron out the remaining differences regarding the treaty in order to pave the way for the signing of a nuclear treaty during the Moscow meeting of the two heads of state.

Agreement was reached between the two sides on the still unresolved issues of the treaty during the talks. A meeting between the two heads of state will be held very soon. The two sides expressed satisfaction with the results of the talks. Bessmertnykh said that the nine-year-long negotiations were coming to an end. For his part, Baker said: We have arrived at a crucial stage where it is possible to have a strategic arms treaty.

The signing of a treaty to reduce offensive strategic arms is a common need and aspiration of both the United

States and the Soviet Union. In recent years, the two countries have always regarded such a treaty as a major objective in bilateral arms control talks, but for various reasons this treaty underwent countless setbacks and was never completed. In June last year, Bush and Gorbachev issued a statement during their heads-of-state summit in Washington asserting that drafting of the treaty would be completed that year. The two sides also decided to sign the treaty during the summit meeting in Moscow in February 1991.

However, U.S.-Soviet nuclear talks entered a stalemate in the last six months, while the summit meeting was postponed once again. This was closely related to the outbreak of the Gulf war, as well as to the turbulence in the domestic situation of the Soviet Union. Furthermore, the U.S.-Soviet dispute over the issue of conventional arms in Europe also had an adverse effect on the nuclear talks. Not long after the East-West European conventional arms treaty was signed last November, both the United States and the Soviet Union began to show signs of differences on the interpretation of this treaty, the question being whether or not several thousand of the Soviet Union's arms and installations in Europe should be slated for destruction, as stipulated in the treaty. The Soviet Union maintained that these weapons belonged to the navy and were not covered by the treaty; the United States insisted that the Soviet military was trying to elude treaty restrictions and even asserted that unless differences on the European disarmament treaty were resolved first, it would not be possible to carry on with the nuclear talks. It was this dispute that caused the suspension of the nuclear talks for several months.

In the past month, as U.S.-Soviet relations "went through a difficult period" (in Baker's words), the two sides subsequently reached agreement on the differences regarding the European conventional arms treaty, while the nuclear talks were resumed and intensified. Not long ago, in an exchange of letters, both Bush and Gorbachev came up with some new proposals and ideas regarding the resolution of the differences over the treaty. A foreign ministerial meeting was held against this background and was decided on by the highest leaders of the two countries. And the fact that the meeting was held continuously for several days showed the desire of the two countries to use the occasion to end the talks as soon as possible, realize the summit meeting in Moscow, and sign the treaty. Analysts here have maintained that the United States wanted to pin down the outcome of all these years of nuclear talks through the signing of the treaty so that U.S.-Soviet relations may move away from their traditional center of arms control to other important domains. Meanwhile, the Soviet Union hoped to expand its political influence both at home and abroad and to secure Western economic cooperation through the achievements in arms control.

The U.S.-USSR talks of the past few days were concentrated on the settlement of three unresolved issues in the treaty: 1) How to define a type of missile as a "new type of missile" the development of which is permitted by the

treaty. 2) How to supply the other side with information during a missile test in order to determine that the test is not in violation of the treaty. 3) By how many warheads the two sides should reduce the payloads of their missiles. These problems are highly technical, but because they concerned the interests of the two sides, as well as the observance of the treaty, experts from both sides taking part in the talks were engaged in judicious haggling over every single technical detail.

Provisions regarding the technical specifications of the new types of missiles and demands that information about missile tests conducted by the two sides be provided in an agreed manner are intended to prevent one side from violating the treaty and thus jeopardizing the strategic interests of the other. Compromises also were made by the two sides in these areas during the talks.

Owing to the advances made during this foreign ministerial meeting, completion of the strategic arms treaty can be expected very soon. This treaty will stipulate that both the United States and the Soviet Union reduce to no more than 6,000 the number of carriers for the three kinds of strategic weapons (intercontinental ballistic missiles, submarine-launched guided missiles, and heavy bombers) they each deploy, while the number of warheads they each deploy also should be reduced to the ceiling of 6,000. This treaty will enable the United States and the Soviet Union to cut down on their massive strategic nuclear arsenals for the first time, but the limitations it imposes are not very obvious. The treaty still will leave both the United States and the Soviet Union with not only a formidable number of nuclear weapons, but also the possibility of continued improvement in the quality of nuclear weapons. This is still a long way from the aspirations of the world's people for nuclear disarmament. It can be said that both the United States and the Soviet Union still have a long way to go on the road toward nuclear disarmament.

Baker Leaves London for Middle East Visit

*OW1807130791 Beijing XINHUA in English
1055 GMT 18 Jul 91*

[Text] London, July 18 (XINHUA)—U.S. Secretary of State James Baker today left London for Syria in a new bid to set up Middle East peace talks.

In his fifth trip to the region since the Gulf war, Mr Baker will try to nail down Syria's acceptance of a U.S. proposal for a peace summit to be chaired by the superpowers and convince Israel to go along with the plan.

Mr Baker, who attended the G-7 summit in London, is flying to Damascus on the first leg of a tour that will also take him to Egypt, Saudi Arabia, Jordan and Israel during the four-day trip.

Mr Baker said 'there are plenty of hurdles', but an Israeli official said Israel might be ready to drop its objection to UN participation to a Middle East peace conference if that was the only obstacle.

Earlier, President Bush left London for an official visit to Greece and Turkey. He made no statement on departure from London's Heathrow Airport.

Praises Syrian Move

OW1907043291 Beijing XINHUA in English
2232 GMT 18 Jul 91

[Text] Damascus, July 18 (XINHUA)—U.S. Secretary of State James Baker announced today that Syria has accepted U.S. terms for holding a Middle East peace conference.

"I am pleased to report that Syria has agreed to the proposal that we have made, including coming to a peace conference," Baker said after meeting with Syrian President Hafiz al-Assad. "I think that it is an extraordinarily important step."

He said the United States and Syria have agreed on a U.N. observer who would "take notes and communicate with the participants" and also report to the U.N. secretary general.

Baker is on his fifth Middle East tour since March, seeking to arrange a regional conference to find a solution to the decades-old Arab-Israeli conflict.

The conference was proposed by the U.S. and will be co-sponsored by the U.S. and the Soviet Union.

The U.S. proposal calls for a conference that involves two-track talks between Israel and Palestinian representatives and between Israel and its Arab neighbors, including Syria.

Israeli and Arab differences on the participation of the United Nations and whether the meeting should be convened more than once had stalled the U.S. efforts.

Israel rejected any role for the United Nations and wanted a ceremonial conference that would break up into direct talks with the Palestinians and the Arab states.

Arab states, Syria in particular, had demanded a full-fledged U.N. participation in the peace talks and want the conference to be able to reconvene if direct talks collapsed.

As a compromise, U.S. President George Bush proposed that the U.N. send a "silent observer" to the conference which should reconvene every six months, if all parties agreed.

Baker's description today of the U.N. role went beyond that of the "silent observer."

On Sunday, Al-Asad responded positively to the Bush plan, reportedly calling it "positive and balanced," and this prompted Bush to send Baker on the current tour.

Baker said he was looking forward to talks with Israeli Prime Minister Yitzhaq Shamir and other Israeli leaders

in Jerusalem Sunday night, hoping that they would endorse the U.S. plan as well.

"I hope so, I hope very much so," Baker said. "These are good proposals."

The bedrock of the U.S. formula is that negotiations would be held on the basis of U.N. Resolutions 242 and 338 calling on Israel to relinquish Arab lands it seized in the 1967 Middle East war in exchange for recognition by and peace with the Arabs.

While disclosing the broad outline of the Bush plan, Baker withheld the details of his meeting with Al-Asad.

Baker said he would not "negotiate through the press," but insisted that there would be no "secret agreements" with any of the parties.

Syrian and other Arab newspapers have said that by responding positively to the U.S. proposal, the Arabs have "thrown the ball to the American court," indicating expectation of increased American pressure on Israel to accept the new terms.

Israel has not formally reacted to the Syrian move, excepting saying that it could be "encouraging" if it "allows the opening for direct negotiations."

Baker will also travel to Egypt, Saudi Arabia, Jordan and Israel.

U.S. Presence, Role in Middle East Examined

HK1907025791 Beijing SHIJIE ZHISHI in Chinese
No 13, 1 Jul 91 pp 20-21

[Article by Ning Jing (1337 7231): "How United States Builds Up Military Presence in Gulf"]

[Text] Even while "Desert Storm" was still in full blast, U.S. Secretary of State Baker had already explicitly spelled out the four major objectives of a U.S.-designed new postwar order in the Middle East: 1) Establish a security system in the Middle East; 2) Carry out arms control in the Middle East; 3) Rebuild the Gulf's economy; and 4) Resolve the Arab-Israeli dispute. After fighting ended in the Gulf, the United States employed four measures simultaneously. Bush personally kept in frequent contact with the relevant heads of state through telephone and correspondence. Furthermore, top U.S. military and government officials like Secretary of State Baker, National Security Adviser Scowcroft, Defense Secretary Cheney, Treasury Secretary Brady, and Joint Chiefs of Staff Chairman Powell were all involved in shuttle diplomacy across the Middle East. Recently, the international media maintained that "after the 100-day diplomatic offensive in the Middle East," the United States "was the first to make progress" in mapping out a security system for the Gulf.

Subjective, Objective Factors Complement Each Other

First and foremost among the four major objectives of the United States's Middle East policy as mentioned above is the establishment of a Middle East security system. The order of the objectives showed the profound political considerations of the Bush administration.

1. Taking an opportunity to gain a comprehensive military foothold in the Middle East in order to effect a shift of focus in U.S. security and defense strategy in the 1990's in response to the changes in the international situation. As early as in 2 August, Bush in a speech to the Aspen Institute had spoken of the concept of a "new defense strategy" for the first time. He maintained that "the danger of a Soviet invasion of West Europe and of a global war is far more remote than at any time after the Second World War," hence the U.S. defense plan henceforth should "be geared increasingly toward meeting the needs of regional emergencies." In his 1992 "National Defense Report" issued in March this year, Cheney formally defined the prevention and control of regional crises as the primary objective of the new defense strategy. Because of the important economic and strategic position of the Middle East, the endless stream of bloody confrontations caused by conflicts over ethnic, religious, territorial, and resources issues in the region throughout history, and the "massive proliferation" of nuclear, biological, and chemical weapons and guided missiles and other related technologies here, the United States has classified the Middle East as the "focus of the greatest security threat" and has made it into an experimental ground for the readjustment of its security and defense strategy in order to provide a security guarantee in its exploration of a "new world order."

2. The Gulf crisis has offered the United States a rare chance to justify and prolong its military presence in the Middle East. In view of the lessons drawn from Iraq's overnight annexation of Kuwait, the six member states of the Gulf Cooperation Council are determined to boost their defense capabilities vigorously, both on their own and in a joint capacity. But their capabilities are limited and they will still need to rely on foreign military forces to maintain stability in the short term. When the emir of Kuwait ended his exile overseas and returned home on 7 April this year, he made his first address to the nation calling on the coalition forces headed by the United States to remain in Kuwait in order to help it defeat "any rash actions that may be undertaken" by Iraq. In the middle of May, Bahrain's information minister also indicated that "now is the time for the United States to deploy a permanent force in the Gulf." As with the U.S. military presence in Europe after the Second World War, the United States naturally reacted positively to this much-welcomed "invitation" and took advantage to seize the initiative to establish a security system in the Gulf.

Cheney's Two Middle East Trips

Cheney conducted his first official visit to the Middle East after the end of the Gulf war from 5 to 9 May (it was also his fifth visit since 2 August). During his visit, he presented

personal letters from Bush to the leaders of Saudi Arabia, Kuwait, Bahrain, the United Arab Emirates, Oman, Qatar, and other countries, and held "in-depth discussions" with them on the U.S.-designed "joint security action plan." Earlier, the U.S. Defense Department spokesman had boasted that U.S. relations with the six Gulf states "has entered a new phase" and that the significance of this visit should be judged from the Gulf defense arrangements of the "coming 10 to 20 years."

According to foreign wire reports, Cheney and the six Gulf states "agreed unanimously in principle" on the conclusion of a formal treaty with binding power. Its principal features are: 1) The United States will conduct "more substantial" bilateral or multilateral land, sea, and air exercises with the armies of the six countries on a regular basis. 2) The United States will continue to supply advanced weapons to the six countries to be used for "defensive purposes" and will be responsible for personnel training and repair of installations. 3) A front line command center of the U.S. Central Command made up of nearly 100 persons will be set up in Bahrain. 4) A U.S. Army armored division will remain in Kuwait. 5) Three air force bases will be maintained in Kuwait, Saudi Arabia, and Bahrain. 6) A special combined naval fleet of a U.S. aircraft carrier will carry out daily patrol along the Gulf waters, while the six Gulf states will renovate their coastal naval ports and simplify the procedures for the use of these naval ports by U.S. vessels. After attending the NATO defense ministers' conference in Brussels, Cheney again visited Israel and Egypt from 29 May to 2 June where he held consultations with the leaders of the two countries with emphasis on the security structure in the Middle East and on bilateral military cooperation.

According to foreign wire reports, Cheney in his talks with Israel assured that Bush's Middle East arms control proposal "will not pose a threat to Israel." It was also decided that 10 F-15 aircrafts costing a total of \$650 million will be sold to Israel, while the United States will shoulder 72 percent (roughly \$120 million) of the cost for the research and development of the "Arrow" anti-air missiles. Meanwhile, the Shamir administration agreed to let the United States store weapons and installations on Israeli soil for the purpose of dealing with emergency situations in the Middle East.

Since the middle of the 1970's, Washington has always regarded Cairo as one of the pillars of U.S. Middle East strategy and put a high premium on the development of U.S.-Egypt military ties. Earlier, the Bush administration announced that Egypt's \$6.7 billion military credit would be written off, and that it would sell Egypt a wide range of weapons and installations including 46 F-16 aircrafts. Cheney's stay in Egypt during this trip was also of utmost importance. According to local diplomatic sources, Cheney tried to get the Egyptian Government to "keep in step" with the United States in its efforts to establish a security system in the Gulf and in the entire Middle East. The two sides "reached a consensus on certain major issues," but because of the "extraordinary sensitivity of such an understanding," they both agreed to keep it confidential.

International observers pointed out that based on the actions and behaviors of Cheney in his two Middle East trips, some distinctive features of the Bush administration's handling of the Middle East security affairs can be seen as follows: 1) No fixed framework for the security structure is established beforehand and the United States acts as the occasion demands and "engages in what is beneficial to the United States" in an explicit display of pragmatism. 2) Following the example of the "allied strategy," Israel, Egypt, and the six Gulf states are regarded as the strategic allies in the Middle East while U.S. responsibility is reduced by giving full play to their roles. 3) The "strategy of walking with two feet" is adopted where the Gulf regional security system is first established and perfected before giving consideration to the security system of the entire Middle East region.

Impact Cannot Be Underestimated

After exerting the utmost efforts, the Bush administration finally scored in its attempt to establish a Gulf security system, while the United States' strategic position in the Middle East is stronger than ever. From the military point of view, U.S. military presence in the Gulf has boosted the rapid reaction capability of the U.S. forces in the Middle East and raised its deterrence effect against any potential opponent.

Since the end of the Second World War, the United States has made many attempts to set up a stable military base in the Middle East, but the outcomes have been less than satisfactory. The U.S. Central Command in charge of the Middle East could only be based in its own state of Florida, miles and miles away from the Middle East. Following the efforts that went into the winning of the Gulf war, the United States can not only set up the core department of its Central Command in the Gulf, but can also carry out a "European style front line deployment" in the Middle East, namely, the deployment of a typical U.S. armored division in Kuwait. The division is usually made up of 16,530 men and officers, equipped with 350 M-1A1 Abrams main fighting tanks, 215 M-2 Bradley armored personnel carriers, 72 M-109A2 155-mm howitzers, 9 multiple launch rocket systems, 18 AH64 Apache anti-tank helicopters, 16 UH-16 Blackhawk transport helicopter, and 25 OH-58 Pelican reconnaissance helicopters.

There is yet another incident which should be noted by the media and this is the fate of the "Eight-Nation Alliance" intended for the security arrangement of the Middle East countries themselves. The six member states of the Gulf Cooperation Council signed the "Damascus Declaration" with Egypt and Syria in 5 March this year where it was decided that a 60,000-strong Arab peace-keeping force to be made up principally by Egyptian and Syrian armies will be created with funding to be shouldered proportionally by the six Gulf states. This basically firmed up the development structure of the Gulf security system. But what is puzzling is that this security arrangement described by Western sources as the "Eight Nation Alliance" or the "six-plus-two group"

later showed signs of "dissolution." While Cheney was touring the Gulf (8 May), Egypt announced the withdrawal of its 38,000-strong troops from Saudi Arabia and Kuwait. And while Cheney was in Egypt (2 June), Syria also declared that it would gradually pull out its 19,000-strong forces from the Gulf. According to a top Cairo-based Gulf diplomat, President Mubarak had indicated that after Egyptian troops were pulled out from the Gulf, "the question of Gulf security will be turned over to the Western and Gulf states." It now appears that the "Damascus Declaration" is fast turning into a piece of paper, while the members of the "Eight Nation Alliance" are also going their own respective ways. Naturally, the United States has to fill the vacuum left by the Egyptian and Syrian troops in the Gulf; at the same time, it left a lingering question on the minds of the people: "Whatever happened to change the fate of the 'Eight Nation Alliance'?"

Future Not All Rosy

The international media have estimated that while the United States may have scored not a few gains on the question of Gulf security, it does not mean that it "will succeed again" on the question of security in the entire Middle East. In fact, the Bush administration will be confronted by many tough issues.

The crux of the Arab-Israeli conflict lies in the continued occupation of large tracts of Arab territory by Israel which also leads to prolonged turbulence and instability in the overall situation of the Middle East. As long as Israel refuses to abide by the UN Security Resolutions 242 and 338 on "land for peace" and as long as the United States refuses to change its position of supporting Israel's aggression, the Middle East security structure envisioned by the United States will definitely encounter the strong resistance of the Arab states and thus be unable to solve the question of Middle East security in a fundamental way.

Saudi Arabia is the actual leader of the Gulf Cooperation Council and its attitude toward the United States has undergone a subtle change in recent days. At least, it has kept a certain distance with the United States on the surface. On one hand, the existing value concept and social system in Saudi Arabia is vastly different from that in the United States, while the Islamic fundamentalist forces within the Saudi territory are also intensely opposed to the "Middle East democratization process" as proposed by the United States. On the other hand, Saudi Arabia is not willing to project a pro-U.S. image in the Arab world for fear of undercutting its authority to serve as the spokesman of Arab affairs. Therefore, top Saudi government officials have repeatedly indicated in recent days that "Saudi Arabia will not keep one single U.S. ground force."

A popular survey on the Middle East issue was conducted jointly by the United States' Cable News Network and TIME Magazine in the United States at the end of May. The results showed 43 percent of the

respondents believe the United States should maintain a military presence in the Middle East stronger than before the Gulf war in order to protect friendly countries as well as principal U.S. interests in the Middle East such as petroleum. Another 48 percent held an opposing view on this. Next year is a U.S. presidential election year and the political inclinations of the voters are growing increasingly more vital. If Bush wishes to be reelected, he will have to be cautious in dealing with the appeals of his voters. Looking from this level, the Middle East policy of the U.S. administration will be restricted to a very large degree by domestic factors.

Pressure on Israel Urged

*HK1807144891 Beijing RENMIN RIBAO in Chinese
18 Jul 91 p 1*

[Commentary by staff reporter Lin Jiaoming (2651 4109 2494); "Israel Must Change Its Rigid Stand"]

[Text] Cairo, 16 Jul (RENMIN RIBAO)—Syria's President Al-Asad wrote a letter to U.S. President Bush on the 14th where he announced acceptance of a U.S. Middle East peace proposal based on UN Resolutions 242 and 338. Syria maintained that the Bush plan is "positive and balanced" and forms the "foundation for a comprehensive settlement of the Middle East issue." This brought new hope for the convening of a Middle East peace conference which will find a way to resolve the Arab-Israeli dispute comprehensively and justly.

The Arab media pointed out that the positive reply of President Assad to Bush's U.S. proposal signified the determination of Syria, an important Arab party in the Middle East dispute, to break the stalemate in the Middle East peace talks and its willingness to sit down on the negotiating table with Israel in order to find a political solution to the Middle East issue. It showed once more the identical stands of the Arab countries on the issue of peace talks as well as their sincerity for a political solution.

However, in the wake of Syria's positive reply to the U.S. plan, the Shamir administration, on one hand, indicated that the positive response from Syria was "encouraging," and on the other hand, it announced that "Israel will not change its position and principles." One cannot help but doubt its sincerity to resolve the Middle East issue.

Based on the four shuttle visits to the Middle East by Secretary of State Baker, President Bush wrote five heads of states on both sides of the Arab-Israel conflict and presented his U.S. peace proposal. It was learned that the principal feature was as follows: A Middle East peace conference presided by the United States and the Soviet Union and participated by all Middle East parties to the Arab-Israel conflict is to be convened where a political solution to the Middle East dispute is to be achieved based on UN Resolutions 242 and 338 and on the principle of "land for peace." Meanwhile, Israel insisted that the peace talk should be a "one-time" occasion, and that right after its opening, the peace

conference should immediately turn into a direct meeting between Israel and the Arab states and between Israel and the Palestinian people. It also vehemently opposed the intrusion of the United Nations in any form. During this period, the Shamir administration also intensified the building of Jewish settlements in the occupied territories, the suppression of Palestinian rebellion, seizure of water resources in the occupied territories, and aggravated the animosity between the Arab and Jewish nations, causing Baker's mission to linger on the brink of collapse.

Now, all fair and just people can see that the crucial issue in the realization of the Middle East peace process lies in the need for Israel to change its rigid stand against the convening of an international conference and its resistance to the principle of "land for peace," and for it to accept honestly the relevant UN resolutions.

Secretary of State Baker's fifth shuttle visit to the Middle East will begin very soon. At the moment, the international media are also watching with great interest how the U.S. will deal with Syria's acceptance of the Bush proposal. Some comments have used the following metaphor in making a comparison: "The ball is now in the court of Israel and the United States." In Baker's four previous Middle East trips, while he tried hard to appear fair before the Arabs and the Israelis, he still could not hide the strategic cooperation between the United States and Israel nor its consistent stand of supporting Israel. Arab media have explicitly pointed out that unless the United States exerts adequate pressure on Israel, Israel is unlikely to change its stubborn position. The Bush administration's desire to score some kind of accomplishment in the Middle East will depend to a very large extent on its determination to exert pressure and influence on the Shamir government. This is probably the key to a positive development in the current situation.

XINHUA Told Iraq Cooperating With UN Team

*OW1907091791 Beijing XINHUA in English
0800 GMT 19 Jul 91*

[Text] Baghdad, July 19 (XINHUA)—A UN nuclear inspection team left here this morning for New York after its two-week inspection tour to Iraqi nuclear sites.

Before departure, Dimitri Perricos, an official with the International Atomic Energy Agency, told XINHUA that during the past two weeks, the Iraqi Government had done well in the cooperation with the UN experts.

But he declined to disclose whether the result of the inspection is satisfying or not.

The team will present a report next week to the UN Secretary Javier Perez de Cuellar, he said.

Under the April 3 Gulf war ceasefire resolution, Iraq agreed to allow UN experts to inspect and supervise the destruction of its nuclear sites and facilities.

The resolution also called for the destruction of any chemical and biological weapons in Iraq's arsenal as well as longer range ballistic missiles.

He disclosed that the United Nations will send a chemical inspection team to Iraq in two weeks.

Iraq has reportedly denied that it has a nuclear weapons development program and insists all its facilities are for civilian purposes.

Two weeks ago, Iraqi soldiers fired into the air when a group of UN inspectors tried to photograph trucks loaded with equipment believed to be a crude device for enriching uranium to weapons-grade quality.

Perricos said the equipment is believed to be linked with military facilities.

In a related development, Iraq on July 14 submitted a list to the United Nations detailing its nuclear facilities and chemical sites, while the United States urged Iraq to comply with all UN resolutions or face serious consequences.

United States & Canada

XINHUA Covers Bush Visit With Greek Premier

Talks Term 'Fruitful'

OW1807222391 Beijing XINHUA in English
2122 GMT 18 Jul 91

[Text] Athens, July 18 (XINHUA)—Greek Prime Minister Constantine Mitsotakis said today that his talks with U.S. President George Bush were "substantial" and "fruitful."

In a statement after the talks, the prime minister termed Bush's visit as "a political event of the utmost importance and reinforces the Greek Government's efforts" to further develop Greek-American relations and promote peace and stability in the Balkans and the entire region.

Mitsotakis said that apart from Greek-Turkish relations and Cyprus issue, the talks included the situation in the Balkans and "the leading that Greece can play in developments in that region."

Mitsotakis said he outlined his government's positions "in detail, and I underlined Greece's decision to contribute substantially to resolving regional problems and consolidating peace and cooperation among all nations in our area."

Responding to a question likening the Cyprus issue and the Iraqi invasion of Kuwait, Bush said that they were "very different situations."

Asked where he based his optimism that the Cyprus problem could be solved this year, in reference to his earlier remark in parliament, Bush said "both sides seem to be more optimistic in terms of UN secretary general's initiative, which we all know is the best hope... and I will do whatever I can to facilitate this process."

In the evening, the U.S. President was given in his honour a state banquet by Greek President Constantine Karamanlis.

Demonstration Staged

OW1807222291 Beijing XINHUA in English
2141 GMT 18 Jul 91

[Text] Athens, July 18 (XINHUA)—Thousands of people staged demonstration today against Bush's visit and clashed with riot police who used teargas to disperse them.

Police said the incident broke out after a peaceful rally that was organized by the Greek Student Union and Trade Union Organisations outside Athens University to protest President Bush's visit defying a government ban on public rallies.

The demonstrators, who wanted to march to parliament and the U.S. Embassy, later dispersed after being stopped by police, but a group of young people started to throw stones.

They set up road blocks and started throwing fire-bombs at cars, buses and shops, causing considerable damage. Police used teargas to disperse them.

Earlier, Coalition of the Left and Progress leader Maria Damanaki strongly criticized Bush's address to parliament, saying "it is unprecedented for us to be informed in the Greek parliament by Mr. Bush, the 'planet overlord', of the imminent, chronologically determined developments in the Cyprus and national issues. The coalition will not accept fait accomplis in national issues and the Cyprus problem. It is now clear that solutions to these are being prepared behind the scenes."

Article Criticizes U.S. Cambodia Policy

HK1907055791 Beijing SHIJIE ZHISHI in Chinese
No 13, 1 Jul 91 pp 15, 16

[Article by Wen Shi (2429 4258): "White House Finds Itself in Tight Corner With Its Cambodia Policy"]

[Text] Under pressure from the U.S. Congress on several key issues, the White House began to soften its stance on Vietnam and the Phnom Penh regime, no longer regarding them as major objects of containment. However, a political solution to the Cambodian issue requires the White House not to deviate from its stance against the Vietnamese invasion.

Over the past several years, the United States has constantly readjusted its policy toward the Cambodian issue in light of the changing situation. Since the United States withdrew its recognition of the Coalition Government of Democratic Kampuchea last July, heated debates on several key issues have been carried out between the Congress and the White House, the former pressing forward and stepping up pressure steadily, and the latter keeping on retreating and tending to be on the defensive.

At present, the White House has found itself in a tight corner with its Cambodia policy.

Points At Issue

Divergences on the Cambodian issue between the Bush administration and the Democratic-dominated Congress are concentrated in the following three aspects:

The first is whether or not the United States should continue providing aid to the non-communist resistance forces in Cambodia. The United States provided secret and open aid respectively to the Norodom Sihanouk and the Son Sann factions. After Vietnam "withdrew" its troops from Cambodia, opposition factions in the U.S. Congress began to demand a cut in, or even put an end to, the aid provided to resistance forces of both the Norodom Sihanouk and the Son Sann factions. The Bush administration rejected Congress' appeal at the time with the excuse that Cambodian non-communist resistance forces should be assisted in order to restrain the Khmer Rouge. However, the Congress stopped secret aid to Cambodian non-communist resistance forces last October and, furthermore, attached harsh strings on aid to these forces in the 1991 foreign aid bill: The United States will stop all its open aid to non-communist resistance forces if they ever carry out "strategic or tactical" military cooperation with the Khmer Rouge. Under pressure from Congress, the Bush administration temporarily stopped providing open aid to both the Norodom Sihanouk and the Son Sann factions at the beginning of this year. The U.S. State Department did not announce its intention to freeze its \$7-million humanitarian aid until last April when famines prevailed in areas controlled by the Norodom Sihanouk and the Son Sann factions; Vietnam continued providing support to the Phnom Penh regime to carry out military actions; and Cambodia's internal wars became more fierce.

The second aspect is whether or not the United States should normalize its relations with Vietnam. After the Vietnamese invasion of Cambodia, both the White House and the Congress regarded it as one of the prerequisites for normalizing relations between the United States and Vietnam that Vietnam should cooperate with the United States in seeking a comprehensive solution to the Cambodian conflict. Since 1990, however, some changes have appeared in the attitude of Congress in this regard. After urging the White House to hold negotiations with Vietnam, a demand the U.S. Government "did comply with" last August, some congressmen further asked Bush to lift the 15-year-long trade sanctions on Vietnam. To this, the Bush administration again made a concession. Last February, the U.S. Treasury Department authorized the Bank of America to establish correspondence relations with the Bank of Vietnam, making preparations for the resumption of trade relations between the two countries. Last April, the U.S. State Department again brought forward a four-stage suggestion on the normalization of U.S.-Vietnamese relations, and a U.S. representative office

was set up in Hanoi. Even so, the Congress still considered the White House's pace of improving relations with Vietnam too slow.

The third aspect is whether or not the United States should support an amendment to the United Nation's peace plan. Last August, the five permanent members of the UN Security Council reached a framework agreement on a comprehensive solution to the Cambodian issue, thus bringing the dawn of peace to a war-ravaged Cambodia. While expressing their support, both the Phnom Penh regime and Vietnam proposed an amendment to the agreement by adding a so-called clause to prevent the Khmer Rouge from staging a comeback. Some U.S. congressmen strongly echoed this view. Returning from his visit to Phnom Penh early last May, U.S. Senator John Kerry blamed the United Nations for being unclear on issues concerning the Cambodian peace plan, disarmament of all belligerent parties, and condemnation of the Khmer Rouge. He also advocated an amendment to the UN peace plan.

Signs in the aforementioned three aspects have shown that under increasingly greater pressure from Congress, the U.S. Government has no longer regarded Vietnam and the Phnom Penh regime as major objects of containment. Instead, the U.S. Government views it as one of the major targets of its Cambodia policy to prevent a major anti-Vietnamese force of Khmer Rouge from returning to power. This shows clearly that the United States has softened its stance against Vietnam.

Reasons for Being Landed in Such a Difficult Position

The Bush administration has failed to mediate disputes between itself and the Congress, and many factors account for the passive situation currently confronting the Bush administration in formulating its Cambodian policy.

First of all, significant changes taken place in the world pattern have exerted a strong impact on the United States' policy toward Cambodia. During the period characterized by antagonism between the United States and the Soviet Union, the United States had no alternative but to give tacit consent to the important role of the Khmer Rouge in contending with Vietnam's expansion. However, since relations between the United States and the Soviet Union were alleviated and the cold war came to an end, the United States has gradually placed its "human rights" diplomacy on the center of the arena of international relations. Vietnam's "withdrawal of troops" from Cambodia made the United States further feel that while Vietnam and the Phnom Penh regime can no longer constitute a threat to Cambodia, a major threat will come from the Khmer Rouge which has an "extremely bad human rights record." Therefore, under the constantly stepped-up pressure from U.S. public opinion and the Congress, the Bush administration has found it hard to sing a different tune.

Secondly, the Bush administration is inconsistent in formulating its Cambodia policy. While it continued to bring pressure on Vietnam and the Phnom Penh regime,

the Bush administration also stressed the threat posed by the Khmer Rouge, and even withdrew its recognition of the Coalition Government of Democratic Kampuchea, thus giving rise to many complicated factors in seeking a solution to the Cambodian issue in accordance with the UN framework agreement.

Furthermore, using the excuse that the Khmer Rouge is launching new military offensives, the U.S. Congress resolutely repels the latter. The Khmer Rouge has captured Bailin [bai lin 2157 2651] City and other areas which are of strategic and economic significance, and repulsed several counterattacks of the Phnom Penh troops. Furthermore, the Khmer Rouge still tenaciously defends Bailin City at present. Public opinion in the United States feels extremely uneasy at all these, saying that the Hun Sen regime is incapable of contending with the Khmer Rouge in the wake of Vietnam's withdrawal of its troops.

Therefore, using the excuse of preventing the Khmer Rouge from returning to power, some U.S. congressmen demanded an amendment to the UN peace plan.

Lastly, since they are worried that the Vietnamese markets will be grabbed by other competitors, the U.S. enterprise circles have increasingly stepped up pressure on the government, urging it to improve relations with Vietnam as soon as possible. Vietnam has recently achieved initial results in economic reform, turning from an importing to an exporting country of rice. In addition, Vietnam has also worked out more preferential policies than East European countries in order to attract foreign investment. Such being the case, a number of countries which used to support the U.S. embargo on Vietnam began to resume trade relations with Vietnam. Since last October, Japan has even allowed its banks to open business in Vietnam, thus becoming the first Western country to set foot in Vietnam's financial industry since South and North Vietnam were unified in 1975. Being extremely concerned about the situation, the American Chamber of Commerce has complained that while other countries are expanding trade with and making investment in Vietnam, U.S. enterprises are kept outside the door, and this will impair the long-term economic interests of the United States. Alongside the surging appeal of the U.S. enterprise circles, a number of congressmen are calling on the government to normalize its relations with Vietnam at the earliest possible date.

Impact on the Cambodian Situation

Though claiming that it has withdrawn all its troops from Cambodia, Vietnam virtually has a considerable number of military personnel holding on to Cambodia to help maintain the Phnom Penh regime. Ignorance of this fact is evidently unfavorable to the efforts to seek a solution to the Cambodian issue. Under the situation whereby the Phnom Penh regime is backed by disguised Vietnamese troops, the United States' move to stop providing aid to resistance forces of the Norodom Sihanouk and the Son Sann factions instead of expanding it

will be objectively favorable to the Phnom Penh regime, for the move will widen the gap between the relative strengths of resistance forces and the Phnom Penh regime, and weaken the actual power of the Cambodian resistance forces as a whole.

It should also be noted that during many years of struggles against Vietnam, the three factions of the Cambodian resistance forces joined forces to oppose the enemy and fought side by side. The unity among the three is of great significance to turning Cambodia into an independent, peaceful, neutral, and nonaligned country. It is unfavorable to seeking a political solution to the Cambodian issue that the U.S. Congress not only brings pressure on both the Norodom Sihanouk and the Son Sann factions and urges them to make a clean break with the Khmer Rouge, but also sows internal dissension among the resistance forces.

In addition, the U.S. Congress' move will also whet the arrogance of the Hun Sen regime, and delay the implementation of the UN peace plan. At the Jakarta Conference early last June, the Phnom Penh regime insisted on bringing to trial the "crimes" of the Khmer Rouge which were committed when it was in power, and also on adopting measures to forbid the latter from participating in elections. By doing so, the Phnom Penh regime evidently aims at seeking excuses for carrying on internal wars under the support of Vietnam.

It can be said that the prejudice and shortsightedness of the U.S. Congress have exerted a negative impact on efforts to seek a comprehensive and just solution to the Cambodian issue. It has become the key to the United States' role in seeking a political solution to the Cambodian issue whether or not the Bush administration can extricate itself from the present predicament.

Pentagon Regains Contact With Satellites

OWJ807202591 Beijing XINHUA in English
1959 GMT 18 Jul 91

[Text] Washington, July 18 (XINHUA)—The Pentagon said today it regained contact with 7 satellites after losing touch with them after launch.

A Pegasus rocket with 7 satellites was launched by the NASA's B-52 yesterday. The plane flew to a point 43,100 feet above the Pacific Ocean and 60 miles of southwest of Monterey, where the Pegasus was launched. But bad weather prevented the takeoff of a plane that was to track the satellites from Antarctica, and officials failed to hear from the satellites or the Pegasus fourth stage through a ground station in the Indian Ocean region.

The Defense Advanced Research Projects Agency (DARPA) said today the satellites were put in near-polar orbit at the wrong altitude because the fourth stage rocket went off course after its first stage separated. But the orbit still should be satisfactory for the mission.

The fourth stage of the Pegasus rocket also was located in orbit, DARPA said.

The satellites were to have been placed in orbit 447 miles above earth. U.S. Space Command tracking stations determined they were in an orbit ranging between 221 miles and 282 miles high, DARPA said.

The agency said the fact that Pegasus went off course explained why an Indian Ocean tracking station failed to make contact as expected after launch. Despite the problem, the rocket's guidance system "appropriately compensated and retargeted the mission to achieve orbit," the agency said.

The launch was the second for a Pegasus. The first was launched from a B-52 off the California coast in April 1990. It put a small Navy communications satellite in orbit and conducted scientific studies.

Soviet Union

Government Signs Science Protocol With USSR

*OW1807122691 Beijing XINHUA in English
1138 GMT 18 Jul 91*

[Text] Moscow, July 18 (XINHUA)—China and the Soviet Union signed a protocol on cooperation in economy, trade and science and technology here today.

Li Xu-e, deputy chief of the Chinese State Science and Technology Commission, and V.V. Yezhkov, vice-chairman of the Soviet State Committee for Science and Techonology, signed the protocol on behalf of the two countries.

Li Xu-e said at the signing ceremony, "We have finished an important job, and we decide to intensify cooperation in science and techonology." He believes the two sides will achieve greater success.

Yezhkov said that the Soviet Union boasts great potentials in science and techonology, and although the country is facing complicated problems, the Soviet people will overcome them eventually.

Xinjiang's Song Hanliang Meets Kazakh President

*OW1807005291 Urumqi Xinjiang Television Network
in Mandarin 1555 GMT 16 Jul 91*

[From the "Xinjiang News" program]

[Text] Last night, regional leading comrades Song Hanliang, Tomur Dawamat, Janabil, Jin Yunhui, Hederbai, Yusufu Muhanmode, and others, cordially met with all members of the Soviet Kazakh Republic Government Delegation, led by its president Nazarbayev, in the Xinjiang People's Hall. Song Hanliang said: China's Xinjiang and the Soviet Union's Kazakh Republic are both rich in natural resources, have heavy mutual economic dependence, and support each other. As such, the scope of cooperation between us is wide and the potential is great. In recent years, both sides have achieved results, to certain degrees, in developing economic

relations. During Comrade Nazarbayev's present visit, we are going to officially sign principles on cooperation, agreements on major orientation, and other documents. The implementation of these documents will be conducive to both sides' stability and common development, bringing about a bright future for all. Party organizations and the government in Xinjiang are glad to make efforts in this respect. [Video shows Song Hanliang and other leaders sitting with Nazarbayev and his delegation members]

Nazarbayev said: As both sides share common history and culture, in years to come, we shall learn from your experience to deepen our reform and embark on economic development according to our reality. From now on, let us make common efforts, and strengthen cooperation and relations with a view to achieving the fine objects of common development and prosperity. [Video shows Nazarbayev and Song Hanliang engaging in conversation through interpreters seated behind]

After the meeting, Song Hanliang and other comrades feted the Soviet Guests.

Accord Signed, Visit Ends

*OW1907023391 Urumqi Xinjiang Television Network
in Mandarin 1555 GMT 18 Jul 91*

[From the "Xinjiang News" program]

[Text] A government delegation from the Kazakh Soviet Socialist Republic, headed by Comrade Nursultan Nazarbayev, member of the CPSU Central Committee Politburo and president of the Kazakh Soviet Socialist Republic, successfully completed its official and friendly visit to Xinjiang and left Urumqi for home by special plane last evening.

The delegation was seen off at the airport by leaders of Xinjiang and Urumqi, including Tomur Dawamat, Jin Yunhui, Hederbai, and Yusufu Aisha; and comrades from relevant authorities.

Yesterday morning, members of the delegation, in the company of Chairman Tomur Dawamat, visited the No. 1 Xinjiang Radio Plant, the Xinjiang Tianshan Woolen Textile Inc. Ltd., and the Urumqi Friendship Emporium. Touring the first two large enterprises of Xinjiang, Nazarbayev and other comrades observed their production of television sets and wool sweaters. He also invited the two enterprises to set up joint ventures in Kazakh Republic; responsible persons of the two enterprises accepted the offer with pleasure.

When shopping at the Friendship Emporium, Nazarbayev highly acclaimed Xinjiang for its success in carrying out reforms and opening to the outside world.

In the afternoon, members the Xinjiang Government Delegation headed by Tomur Dawamat, and members of the government delegation from the Kazakh Republic headed by Nazarbayev had talks on development of bilateral cooperation and promoting bilateral economic, trade, scientific-technological, and cultural exchange.

Later, Comrade Tomur Dawamat and Comrade Nazarbayev officially signed an accord concerning the principles and main points of Xinjiang-Kazakh cooperation; Comrade Hederbai and Yezhikov-Babakhanov, first deputy premier of the Kazakh Republic, signed the Xinjiang-Kazakh accord concerning the effective use of the Sino-Soviet Alakol' Pass and the (?Daraut Kurgar) border railway corridor and development of international tourism; and Adudula Maitireyimu, director of the regional department of foreign economic relations and trade; and (Abyssov), director of the Kazakh Republic Department of International Economic Relations and Trade, officially signed the Xinjiang-Kazakh trade accord. Both sides maintained that the three accords are fully in line with the interests of people and needs of economic development of both sides, and that they will further promote both sides' economic, trade, scientific-technological, and cultural exchanges and cooperation. Comrade Nazarbayev also expressed his wholehearted thanks for the warm hospitality accorded to him and his delegation.

After the signing ceremony, President Nazarbayev held a news conference and answered reporters' questions.

During their visit in Xinjiang, Comrade Nazarbayev and members of his delegation also visited some industrial enterprises in Urumqi and Yili and familiarized themselves with the development of Xinjiang's agricultural and animal husbandry. They also visited Guangdong, Shenzhen, and Beijing.

Soviet Veterans' Delegation Visits Shandong

SK1807150991 Jinan Shandong People's Radio
Network in Mandarin 2200 GMT 17 Jul 91

[Text] Upon the invitation of the Ministry of National Defense, a 10-member delegation of the Soviet Veteran Fighters Committee, headed by A. Pushkin, a hero of the Soviet Union and a retired lieutenant general of the Soviet Army, visited Yantai and Qingdao Cities from 14 to 18 July. All of the members of the delegation are veteran comrades who had come to China to help in our work, some of them had served as military advisers to the People's Liberation Army [PLA] units and institutions, and some of them had served as specialists at military industrial scientific research institutes. Pushkin, head of the delegation, had even participated, by piloting a plane, in the defense of Wuhan, which is a battle well known both in China and abroad. Chinese people have not and will not ever forget any Soviet veteran comrades and friends who had made contributions to China's revolution and construction. While in Qingdao and Yantai, the delegation garnered warm and friendly reception from local PLA units and governments.

Southeast Asia & Pacific

Rogachev Claims Hun Sen To Meet PRC Leaders

HK1807143891 Hong Kong AFP in English 1422 GMT
18 Jul 91

[Text] Beijing, July 18 (AFP)—Chinese Government leaders will meet Cambodian Prime Minister Hun Sen,

the man the Beijing-backed resistance has been trying to overthrow for the last 12 years, a senior Soviet official said Thursday.

"There will be a meeting between Hun Sen and Chinese high officials. I think it will be of great importance," Soviet Deputy Foreign Minister Igor Rogachev told reporters.

Mr. Rogachev said Chinese officials informed him of the meeting, which would be one-on-one.

He was speaking after a two-day meeting of the five U.N. Security Council permanent members agreed to start the process of monitoring a ceasefire in Cambodia.

The U.N. meeting followed talks here of the Supreme National Council (SNC), which unites the warring Cambodian factions and is to represent the nation's sovereignty during a transition from civil war to an elected government.

The SNC, including Mr. Hun Sen, met Premier Li Peng late Wednesday.

Mr. Hun Sen and two aides, who arrived here Monday for the SNC meeting, are the first Phnom Penh government representatives to visit China since Vietnam overthrew the Khmer Rouge and installed a client government in Phnom Penh in 1979.

But Mr. Rogachev stressed that the meeting did not mean that "they (China) recognize the government" in Phnom Penh. He said Mr. Hun Sen would be considered a member of the SNC.

China has been the main backer of the resistance and its main faction the Khmer Rouge, whose reign in the late 1970s led to the deaths of hundreds of thousands of Cambodian civilians.

Beijing has recently relaxed its policy towards Phnom Penh. The SNC meeting here was the first time all Cambodian factions had met here. The U.N. meeting was also a first.

Mr. Hun Sen is due to leave Beijing for the North Korean capital Pyongyang and then return here before heading home.

The Soviet deputy minister said it was possible the meeting could take place either before or after his trip to Pyongyang.

Vietnam Welcomes Outcome of SNC Meeting

OW1807171191 Beijing XINHUA in English
1523 GMT 18 Jul 91

[Text] Hanoi, July 18 (XINHUA)—Vietnam today gave the glad hand to the results of the Beijing working meeting of the Supreme National Council (SNC) of Cambodia, including Sihanouk's election as the SNC president.

Phan Thuy Thanh, spokeswoman of Vietnam's Foreign Affairs Ministry, told a news briefing here this afternoon that the agreements reached at the SNC working meeting brought bright future to the effort for both national

reconciliation in Cambodia and the peaceful settlement of the Cambodian conflict, now 12 years old.

The two-day SNC working meeting, which brought together leaders of Cambodia's conflicting factions, ended in Beijing yesterday afternoon.

Phan Thuy Thanh said that Vietnam would respect all SNC decisions on Cambodian sovereignty.

She pledged that Vietnam would halt its military aid to Cambodia and cease to allow shipment of weapons to Cambodia through its territory. Vietnam was also ready to reach any agreement with parties concerned for an effective international control in this regard, she added.

The spokeswoman also extended her welcome to the decision enunciated in the meeting's final communique that the SNC will send a delegation to the special meeting of the Mekong Committee in mid-August 1991 and to the plenary committee session slated for 4-6 November 1991.

UNSC 5, Paris Conference Issue Communique

*OW1807145191 Beijing XINHUA in English
1417 GMT 18 Jul 91*

[Text] Beijing, July 18 (XINHUA)—The meeting on Cambodia held by the five permanent members of the U.N. Security Council [UNSC] and the co-chairmen of the Paris Conference ended here this evening with the releasing of a communique.

The communique says "the five and Indonesia note the repeated assurances by all the Cambodia parties of their acceptance of the August 28, 1990 U.N. framework document in its entirety, as endorsed by the Security Council in Resolution 668 and acclaimed by the General Assembly on October 15, 1990, as the basis for settling the Cambodian conflict. They observe with satisfaction that, based on this commitment, the Supreme National Council had made significant progress towards a comprehensive political settlement at meetings held recently in Jakarta, Phatthaya, and Beijing.

"They welcome the election of Prince Sihanouk as president of the Supreme National Council.

"These developments have created a new situation and a new opportunity to bring lasting peace to Cambodia. The five and Indonesia thus urge the now operational SNC to accelerate efforts to overcome the remaining difficulties and to reach consensus, in a continuing spirit of national reconciliation, on a comprehensive political settlement—based on the draft agreements of November 26, 1990—at its forthcoming meeting in Bangkok on August 26-28, 1991. Such consensus would make possible the early reconvening of the Paris Conference on Cambodia to adopt and endorse a comprehensive political settlement which would be referred to the United Nations for approval and implementation.

"The five and Indonesia welcome the decision of the SNC to implement an unlimited cease-fire. They also welcome its decision to stop receiving foreign military assistance, will respect this decision themselves and call upon all concerned countries to do likewise. The five and Indonesia also express the hope that the countries neighboring Cambodia will prohibit the delivery of military equipment to any of the Cambodian parties from their territory. They also reiterate that the withdrawal of foreign military forces, the cease-fire and the cessation of outside military assistance must be effectively verified and supervised by the United Nations.

"To that end, they welcome the proposal made by the SNC that a United Nations survey mission should be sent to Cambodia. They agreed to recommend the dispatch of such a mission. The mission would begin the process of preparing for the military aspects of UNTAG [United Nations Transition Assistance Group] and could consider how the secretary general of the United Nations can use his good offices to help maintain the unlimited informal cease-fire now in effect.

"The five and Indonesia welcome the decision taken at the initiative of Prince Sihanouk to establish the SNC in Phnom Penh later this year. They view positively the sending of diplomatic representatives to the SNC after the council establishes itself in Phnom Penh. Such representatives would be sent in the expectation of free and fair elections to be held under the auspices of the United Nations, as part of the comprehensive political settlement, in accordance with the framework document of 28 August, 1990 and as envisaged in the November 26, 1990 draft agreements.

"The five and Indonesia agreed to meet again in Bangkok on August 29-30, on which occasion they will also hold discussions with the SNC following its meeting during the preceding days.

"The participants expressed appreciation to the government of the People's Republic of China for its excellent arrangements in hosting the current meeting."

Sihanouk Meets SNC Talks Unofficial Observers

*OW1907052691 Beijing XINHUA in English
0511 GMT 19 Jul 91*

[Text] Beijing, July 19 (XINHUA)—Prince Norodom Sihanouk, president of the Supreme National Council (SNC) of Cambodia, met with the unofficial observers of the newly-concluded SNC working meeting here today.

Later, he hosted a dinner in their honor.

The unofficial observers were government representatives from Thailand, Japan, Australia, New Zealand, Canada and Italy.

Thai Foreign Minister Views SNC Meeting

OW1807140791 Beijing XINHUA in English
1310 GMT 18 Jul 91

[Text] Bangkok, July 18 (XINHUA)—Thai Foreign Minister Asa Sarasin said here today that the agreements reached at the Cambodian Supreme National Council (SNC) meeting in Beijing constitute a very important step towards settling the Cambodian issue.

Talking to reporters at the airport before leaving for Malaysia, Asa Sarasin said that it was all known the Cambodian factions have agreed to make Sihanouk chairman of SNC and send a delegation to attend the forthcoming U.N. General Assembly. They also agreed to confirm the framework of the five permanent members of the U.N. Security Council, ask the U.N. to send a survey team to assess the form of their unlimited ceasefire and to end foreign arms supplies. They decided at the meeting that next formal SNC meeting will be held in Bangkok on August 26-28 this year.

All these are considered as an important step to settle the Cambodian issue, Asa said.

Thailand has been asked to prepare facilities for the next formal SNC meeting, said the Thai foreign minister.

Qian Qichen Talks With Malaysia's Mahathir

OW1807142591 Beijing XINHUA in English
1412 GMT 18 Jul 91

[Text] Kuala Lumpur, July 18 (XINHUA)—Malaysian Prime Minister Mahathir Mohamed said here today that Malaysia has fully agreed to China's view that the new international political and economic order must be established on the basis of peaceful mutual co-existence.

While meeting with visiting Chinese Foreign Minister Qian Qichen this afternoon, Mahathir stressed that the new international political and economic order must be formulated by all countries the world over and any country could not impose its views on the whole world.

Qian said that the new order must not be dominated by certain big powers. Countries, big or small, rich or poor, must respect each other's sovereignty and territorial integrity, abide by non-interference of other's internal affairs, but must strengthen economic cooperations on the basis of mutual benefits and countries in various regions must jointly play their role towards the world development.

Qian pointed out that the world cold war has ended and the tense world situation has been alleviated, but disturbances still exist in some regions of the world.

As for Asia, he added, the issues of hot spots have been solved gradually, which have laid a better condition for the economic development of the region.

He said that South East Asia and East Asia must strengthen cooperations and develop economy in order to make the region more peaceful and prosperous,

adding that China appreciates and supports the proposal made by Mahathir for the formation of the East Asia Economic Grouping (EAEG).

Mahathir proposed last December the formation of EAEG aimed at strengthening economic relations and trade between East Asian countries, countering trade protectionism of Western economic groups and enhancing free and just trade in the world, thus defending national economic interests of members states.

Mahathir said, "We will not interfere in the internal affairs of others and will not allow others to interfere in the internal affairs of ours and the world trade must be carried out freely and unconditionally."

While expressing his welcome to Qian for his visit to Malaysia, Mahathir said once China becomes the dialogue partner of the Association of Southeast Asian Nations (ASEAN), that will strengthen the cooperation between China and ASEAN and will be conducive to the regional peace and stability.

Mahathir also expressed his sympathy for the current flood disasters in China and announced that the Malaysian Government has decided to donate 30,000 U.S. dollars for the flood victims in China.

During the meeting, Qian briefed Mahathir on Chinese Premier Li Peng's recent visit to the Middle East.

Qian also handed over a letter sent to Mahathir by Li Peng. He thanked Li for his renewed invitation of visiting China saying he will visit China soon.

Mahathir Addresses ASEAN, Welcomes Qian

OW1907073791 Beijing XINHUA in English
0628 GMT 19 Jul 91

[Text] Kuala Lumpur, July 19 (XINHUA)—Malaysian Prime Minister Mahathir Mohamed here today called upon members of the Association of Southeast Asian Nations (ASEAN) to strengthen cooperation in various fields to fight against trade protectionism.

Addressing the opening ceremony of the two-day 24th annual meeting of ASEAN foreign ministers, Mahathir said the economies of ASEAN and many developing countries which are so dependent upon the open trading system are threatened by the new waves of protectionism.

The closed regionalism, managed trade, bilateralism and trading-based reciprocity endangered the open multilateral trading system, and consequently the growth of world trade, he said.

Foreign ministers from the six ASEAN member nations as well as representatives from ASEAN dialogue partners, China and the Soviet Union, totaling some 500, attended the opening ceremony.

"While ASEAN should not be a trading bloc and each ASEAN country must remain free to trade with other

nations, increasing steps would be taken to increase regional integration," he said.

While expressing his support for the recent proposal made by Thai Prime Minister Anan Panyarachun that ASEAN members form a free trade area sometime by the turn of the century, Mahathir also urged ASEAN members to liberalize trade substantially with the grouping.

"Trade liberalization will not only bring our economic cooperation to a higher plane, it will also reinforce our trade link with other countries and regions," he said.

He added, "we must create a large market for complementary industrial ventures, increase trade flows, encourage greater private sector participation and to widen and give more impetus to ASEAN industrial joint venture."

On the establishment of the new world order, Mahathir said, "the new world order which we should strive for is not only one that is free from the threat of war but it would also be a world free from poverty, hunger and diseases as well as an order which promotes equal economic opportunity and easy access to modern technology for all countries and people."

"It should be a world order which recognizes that countries and people can and must be allowed to maximize their national political, economic and social potentials in ways compatible with their historical, cultural and national circumstances," he noted.

On the political settlement of the Cambodia issue, Mahathir said, "so long as the Cambodian problem remains unresolved, it will continue to affect the peace and security of the region."

In order to enable the Cambodians to integrate into the regional life, he added, the Cambodians must first find peace among themselves.

"We are therefore much encouraged by the unanimous election of Prince Sihanouk as the president of the Supreme National Council. We are confident under his wise leadership, the Cambodian parties would be able to achieve national reconciliation and reach agreement on a comprehensive political settlement," he said.

Explaining Malaysia's last December proposal for forming the East Asia Economic Grouping (EAEG), mahathir said, "the EAEG is not a trade bloc but the concept is that of a loose consultative forum comprising countries in East Asia."

Mahathir also extended his welcome to Chinese Foreign Minister Qian Qichen and Soviet Deputy Prime Minister Yuriy Maslyukov, who attended the opening ceremony for the first time as official guests of the Malaysian Government.

"Your presence at this meeting is indeed a clear reflection of the importance you attach to ASEAN as a regional association. Now that ASEAN and the Soviet Union as well as ASEAN and China have decided to sit

together in conference, the ideological barriers between us have been overcome," he added.

Philippine Opinion Divided on U.S. Bases Pact

*OW1807105691 Beijing XINHUA in English
0917 GMT 18 Jul 91*

[Text] Manila, July 18 (XINHUA)—Philippine officials' responses varied with regard to the new Philippine-U.S. agreement on the future of the American military bases in the country, according to local press reports today.

After 14 months of negotiations, the Philippines and the United States came to agree Wednesday that the U.S. will be allowed the continued use of Subic Naval Base for a period of 10 years beginning September 17, 1991, and will pull out Clark and turn it over to the Philippines no later than September 16, 1992.

For 1992 after the new agreement is ratified and goes into effect, the U.S. will pay a compensation of 360 million U.S. dollars, its original compensation offer, and beginning 1993 following the American pullout from Clark, home of the U.S. 13th Airforce for decades, the U.S. will pay an annual compensation of 203 million U.S. dollars for retaining only Subic for its use.

At the presidential palace, President Aquino reportedly withheld her comment on the bases agreement but has approved the final terms of the new agreement.

Executive Secretary Franklin Drilon justified the draft agreement, saying, "It's the best, under the circumstances, that we can get." He did not elaborate.

Finance Secretary Jesus Estanislao said that the agreement would help improve the country's investment climate.

"The signing of the new treaty would encourage foreign investments and would make it easier for the country to get more foreign financing," he said, adding that it would also enable the military to modernize faster.

The agreement "enables our military access to certain supplies which otherwise we could not get on a no-cost basis or very, very concessional terms," Estanislao said.

"From the financial, economic and trade side, I think there are going to be wider opportunities that would be open to us simply because the agreement is there," he added.

House Representative Jose de Venecia, chairman of the House Committee on Foreign Affairs, said that he fully supports the American offer which can be of "great benefit" to the Filipino people.

However, Philippine Vice-President Salvador Laurel said that the terms of the new treaty "will tie the hands of the next administration."

"I am more interested in beefing up our armed forces so we can take over the external defense when the bases pull out," he said, adding that he wants more trade quotas from the United States.

The new bases treaty needs constitutionally the approval by two-thirds of the 23-member Senate.

Jovito Salonga, president of the Senate, said in a statement before the new agreement was announced that he is assured that the agreement will not be initiated by both panels without sending a copy to the Senate.

Yet the majority of the senators have expressed opposition to a new bases treaty, but some of them said they may still change their mind after reviewing the terms of the new agreement.

Anti-bases Senator Agapito Aquino, brother-in-law of President Aquino, said that he disagreed with the terms it set.

"I am not in agreement in both the compensation and duration agreed upon by the two panels. I'm sure it will have a difficult time garnering the 16 votes needed to ratify the new treaty," he said.

This view was echoed by Senator Ernesto Herrera who said, "I'm not happy about it. I'm not sure it will be ratified in the Senate."

Senator Rene Saguisag said that he will continue to oppose the passage of the new treaty. Senator Wigberto Tanada was reportedly "very disappointed" about the new agreement.

Analysts here say that it will not be very easy for the new agreement to get ratified by the Senate of the Philippines.

Near East & South Asia

PRC Government Aids Gulf Oil Spill Cleanup

OW1807023191 Beijing XINHUA in English
0202 GMT 18 Jul 91

[Text] Beijing, July 18 (XINHUA)—The Ministry of Communications reported that the Chinese Government has donated equipment to help the oil spill cleanup efforts in the Gulf.

The equipment includes a 3,000 m railing that can entrap oil, to be sent to Daman port in Saudi Arabia in mid-August.

The Chinese Government's move is in response to a call by a foundation under the International Maritime Organization.

Hou Jie Attends Iraqi National Day Reception

OW1707143191 Beijing XINHUA in English
1216 GMT 17 Jul 91

[Text] Beijing, July 17 (XINHUA)—Muhammad Amin al-Jaff, Iraqi ambassador to China, hosted a reception to mark the 23rd anniversary of the revolution of July 17-30 at the embassy here today.

Attending the reception were Chinese Minister of Construction Hou Jie and Vice-Minister of Foreign Affairs Yang Fuchang.

Israeli Leader Cites Syria, Peace Process

HK1807082091 Beijing RENMIN RIBAO in Chinese
13 Jul 91 p 6

[“International Jottings” by Ke Yuelin (2688 2588 7207): “Laughable War Threats”]

[Text] Even though the Middle East peace process is extremely problematic, the Arab states and other concerned parties are still making positive efforts in the hope of achieving an early and lasting peace in the region.

The leader of the Israeli Government, however, indicated in a recent address that except for war, there is nothing that would change Syria's "hostile attitude toward Israel." Naturally, no one believes that Israel will mount an attack against Syria at this time, but such warlike remarks, which are in dissonance with the calls for Middle East peace by the people of the world, are rather surprising. Given that the Arab-Israeli wars and conflicts have brought great destructions to the countries and peoples of the region including Israel, clamors to use force are indeed unpopular.

The Israeli Government leader has his own "reason" for attacking Syria. Indeed, Syria's proposals on the question of how to convene the Middle East peace conference are miles apart from those of Israel. Israel suggests that the United Nations be completely disregarded and that the peace conference be merely symbolic in nature; Syria wants UN participation in the Middle East peace conference from start to finish. Reasonable people who are well-acquainted with the origins and evolution of the Arab-Israeli conflict will point out that Israel's stubborn clinging to this position is unreasonable. People cannot help but ask: If Israel intends to carry out Resolution Numbers 242 and 338 as adopted by the UN Security Council, then what is wrong with UN participation in the Middle East peace conference? After all, it can provide the international guarantee which can contribute to a political solution of the Middle East issue. Consequently, Israel's anger with Syria over this matter is rather puzzling.

There can be many explanations behind Israel's opposition to the convening of a Middle East peace conference, but sensible people are aware that the most fundamental reason is its desire to extend its occupation of the Arab territories. If it is known that Syria's Golan Heights is also among the occupied territories which have not been returned to this day, then the war threats issued by the Israeli Government leader is not at all surprising.

Correction to PRC-Syria Joint Communiqué*OW1907053791*

The following correction pertains to the item headlined "Joint Communiqué Issued" published in the 16 July International Affairs section of the China DAILY REPORT, page 17:

OW1417113391 take one, paragraph five, last sentence make read... Third World countries, which are getting increasingly serious, cannot be lessened... (supplying dropped clause per monitor recheck).

OW1407114291 take two, paragraph three, first sentence make read... The two sides unanimously agreed that the arms race in the Middle East has resulted from the failure to settle the conflicts in the region completely, justly, and reasonably and that the issue... (rewording per monitor recheck).

Indian Foreign Minister Speaks on Relations*OW1807080491 Beijing XINHUA in English
0536 GMT 18 Jul 91*

[Text] New Delhi, July 18 (XINHUA)— India's Foreign Minister Madhav Singh Solanki said that the high-level political dialogue with China on matters of mutual concern has gathered momentum.

Local press today quoted Solanki as saying in a written reply to the Rajya Sabha (upper house of the parliament) Wednesday that there has been a marked improvement in India-China relations since the visit of the then Prime Minister Rajiv Gandhi to China in 1988.

The scale of scientific, technical and cultural exchanges has been steadily expanded, he added.

An agreement has been reached in principle on reopening of consulates general in Shanghai of China and Bombay of India and also to resume border trade, he said.

The foreign minister said that Chinese Government has expressed its satisfaction over the improvement of India-China relations and expressed confidence that these relations will further improve and develop.

Both governments agreed that sincere efforts should be made to seek a fair, reasonable and mutually acceptable settlement of the boundary question, he said.

Sub-Saharan Africa**Relations With Central African Republic Suspended***OW1907041091 Beijing XINHUA in English
0348 GMT 19 Jul 91*

[Text] Beijing, July 19 (XINHUA)—The Chinese Government has lodged a strong protest with the Government of Central Africa and decided to suspend its diplomatic relations with the Republic of Central Africa as of July 8, according to a report from Bangui.

Li E, charge d'affaires ad interim of the Chinese Embassy in Central Africa, said on Thursday that the Central Africa Government, in its decision to resume the so-called "diplomatic relations" with the Taiwan authorities on July 8, has violated the spirit of principle enshrined in the communiqué on the establishment of the diplomatic relations between the People's Republic of China and the Republic of Central Africa in 1964 and their joint communiqué in 1976.

Li noted that the move made by the Government of Central Africa was totally unacceptable to the Chinese people.

As is known to all, he said, the Government of the People's Republic of China is the sole legal government representing whole China and Taiwan is an inalienable part of the Chinese territory.

By openly "resuming diplomatic relations" with the Taiwan authorities in disregard of this principled position of China, the Government of Central Africa has sabotaged the friendship existing between the people of China and Central Africa and harmed the cause of China's reunification, he added.

Political & Social

Zhu Rongji Heads State Council Production Office

OW1707043891 Beijing XINHUA Domestic Service
in Chinese 1025 GMT 16 Jul 91

[Text] The State Council recently decided to abolish the State Council Production Committee and establish a State Council Production Office. State Council Vice Premier Zhu Rongji is concurrently chairman of the State Council Production Office.

The State Council Production Office is an administrative body of the State Council. Under the State Council's leadership, it will give professional guidance on the production work of the economic committees (planning and economic committees) and the production committees in various provinces, autonomous regions, and municipalities; will make necessary organizational coordination for communication and industrial production work of the State Council's relevant departments; and will undertake macroeconomic regulation, control, and guidance over communication and industrial enterprises.

The major responsibilities and missions of the State Council Production Office are as follows: It will participate in formulating annual production plans, material allocation plans, and transportation plans; it will organize implementation of these plans as well as supervise and check the progress of their implementation; it will guide communication and industrial production work throughout the country; it will be responsible in organizing major links and coordination of production, marketing, and transportation in various departments, districts, and their key enterprises; it will be responsible in emergency dispatch of energy resources, raw and semi-finished products, and other important materials; and it will solve corresponding transport problems. In accordance with the state's specified scope for investment in enterprises for technical transformation, it will be responsible for formulating the plans for enterprises' technical transformation and will organize the implementation of these plans; it also will have specialized departments in charge of technological progress in enterprises. It will guide enterprises' administration, organize the launching of "double increase and double economy" campaigns in enterprises, and arrange for the training of enterprise workers and staff. It will participate in the checking of imports and exports of industrial products and will administer the work on inspecting imports of mechanical and electronic equipment. It will participate in financing and pricing work related to production in enterprises. It will organize coordination work in safety production, equipment management, and rescue work.

In order to perform well in dispatch work, the State Council Production Office holds necessary regulatory and controlling means in aspects including materials, funds, and imports and exports. It has a certain regulatory and controlling power over prices, credit, taxes, and labor.

It has been learned that the vice chairmen of the State Council Production Office are Zhang Yanning, Zhao Weichen, Li Xianglin, Yang Changji, and Zhu Yuli.

Press Coverage of Former Zhao Associates Blocked

HK1807042591 Hong Kong SOUTH CHINA MORNING POST in English 18 Jul 91 p 13

[By Willy Wo-lap Lam]

[Text] The status of Vice-Premier Mr Zhu Rongji has been consolidated with his appointment as Director of the Production Office of the State Council.

The posting was announced yesterday by the NEW CHINA NEWS AGENCY (NCNA) although Mr Zhu, 62, a former mayor of Shanghai, has been in charge of industry and production since his promotion last April.

As head of the Production Office, deemed a "super-agency", Mr Zhu takes charge of industrial activities at central and regional levels, including production, energy and transport.

NCNA said the functions of the new unit included drawing up annual production targets, arranging material deployment and transportation, as well as technical upgrading and management.

Before Mr Zhu's induction into the State Council, industrial matters had been handled by a Production Committee, which was headed by a Vice-Minister of the State Planning Commission, Mr Ye Qing.

The replacement of the Production Committee by the Production Office, also announced yesterday, indicated the growing influence of Mr Zhu.

China analysts say that if Mr Zhu can consolidate the new powers granted him, he may be able to jockey for position with another Vice-Premier, Mr Zou Jiahua, if the post of premier becomes vacant at the 14th party congress next year.

But analysts say that it is too soon to say whether Mr Zhu can garner enough support for a go at the top government post next year.

Often referred to as "China's Gorbachev" in the West, the former Shanghai mayor's power base in the party and Government is considered to be small.

In the late 1950s, Mr Zhu was declared a "rightist" partly for refusing to criticise Yugoslavian "revisionism" after joining an official trip to that country.

"Zhu's production portfolio could cut both ways," a Chinese economist said. "He has been asked to tackle intractable problems like revitalising state enterprises and solving the 'triangular debts'.

"If he succeeds, he will have won immense political chips. If not, the conservatives will have an excuse to shove him aside."

Chinese sources said the hard-line faction of the party, which controls the media, had taken steps to block the advance of three former associates of ousted party chief Mr Zhao Ziyang who had been reinstated to vice-ministerial positions last month.

They said the Propaganda Department had recently asked the press to restrict coverage of the activities of Mr Hu Qili, Mr Yang Mingfu and Mr Rui Xingwen, vice-ministers of electronics, civil affairs, and planning, respectively.

Newspapers and television were specifically asked not to carry their pictures.

The trio, who used to live in houses close to the Zhongnanhai party headquarters in central Beijing, have recently moved to apartments for senior cadres at the western end of the capital.

Zhu Rongji Inspects Shandong Province

*OW1907040591 Beijing XINHUA Domestic Service
in Chinese 1349 GMT 18 Jul 91*

[By reporter Liu Haimin (0491 3189 3046)]

[Text] Jinan, 18 July (XINHUA)—During his inspection tour of Shandong, State Council Vice Premier Zhu Rongji pointed out that in order to resolve existing problems in current economic operation, it is necessary to prioritize efforts to improve economic results, resolve to control production of overstocked products, disentangle "triangular debt chains," and invigorate large and medium-sized enterprises.

From 9 to 15 July, accompanied by Li Chunling, vice governor of the Shandong Provincial Government, Zhu Rongji and responsible comrades from relevant departments in the State Council conducted investigations and study in Qingdao, Weihai, Yantai, Weifang, Dongying, Zibo, and Jinan.

During this period, Zhu Rongji heard reports on economic work by the Shandong Provincial Party Committee and Government; inspected various large and medium-sized enterprises, including the Qindao Freezer Central Plant, the Yantai Synthetic Leather Plant, the Shengli Oil Field, and the Qiru Petrochemical Company; and held discussions with factory directors and managers of 30 enterprises.

Zhu Rongji was of the opinion that the overall economic situation in Shandong Province is good. The provincial party committee and government have been able to correctly integrate local practical conditions, earnestly implement the guidelines of the party Central Committee and the State Council, and maintain stability and continuity in policy. The broad masses of cadres and people display a sound mental outlook, steadfastness in their work, and a willingness to do hard work. This has helped effect remarkable achievements in agriculture

and infrastructure while basically maintaining steady growth in industrial production.

While touching on how to further improve industrial production, Zhu Rongji pointed out: It is necessary to overcome the tendency to lopsidedly pursue production value and speed and to firmly establish the concept of combining speed with efficiency. He said: Decades of experience have proven that great harm will come of working only for speed. Doubling capacity is a strategic task, while increasing economic efficiency is a premise. At present, a good number of enterprises appear to have achieved high speed in production, but their products are not properly adapted to market needs, thus leading to increasing overstocking of products and the tie-up of funds. It will be difficult to sustain production if this situation continues.

Regarding the problem of technological transformation, Zhu Rongji stressed: Technological transformation must center on developing new products, renovating facilities and technology, and economizing on energy and materials, with the aim of readjusting product structure and improving economic results. We must stand firmly on existing enterprises and not blindly put up new ones or attempt to duplicate construction. If we have not thoroughly checked domestic and foreign markets, we will not be sure of the market for our products. We therefore cannot make hasty decisions about assuming new projects. It is necessary to strengthen the mechanism for transforming enterprises ourselves and to reduce intervention by responsible departments and local governments.

Zhu Rongji emphasized: To reinvigorate large and medium-sized enterprises, we must pay attention to three aspects. First, we must practically lighten the burden of enterprises and create a favorable external environment for enterprises. Second, we must properly implement the "Enterprise Law" and practice management autonomy among enterprises. Third, we must vigorously strengthen internal management of enterprises.

Zhu Rongji pointed out: It is still necessary for the industrial front to adhere to "the three honests and four stricts," enforce strict management, and carry forward the fine tradition of hard work. We must focus our attention inward and improve internal management of operations by relying on scientific management so as to practically bring business management onto the track of minimizing investment, maximizing production, and heightening efficiency.

During the inspection, Zhu Rongji also conducted investigations into problems concerning production and supply of cotton. While affirming the important contribution made by Shandong Province in this respect, he put forward new demands and expectations and stressed that it is necessary for cotton production zones to earnestly do a good job in producing cotton, properly organize the allocation and supply of cotton, and make determinations to improve the situation and resolve problems relating to the quality of cotton.

Song Ping Meets Experts on Marxism Course

HK2706094191 Beijing RENMIN RIBAO in Chinese
15 Jun 91 pp 1, 3

[XINHUA report by Central People's Broadcasting Station reporter Luo Guanxing (5012 6034 2502) and XINHUA reporter Zou Aiguo (6760 1947 0948); "Song Ping on Training Red, Expert Successors at Meeting With Participants of Marxist Philosophy Study Session"]

[Text] Beijing, 14 Jun (XINHUA)—Song Ping, member of the CPC Central Committee Political Bureau Standing Committee, had a meeting today in Huairantang, Zhongnanhai, with the students attending the Marxist philosophy course for CPC member experts. Song Ping pointed out: We have a large number of party member intellectuals and experts who are both socialist-minded and vocationally proficient in our party. This is not only a manifestation of the flourishing of our party but also an important guarantee for the supply of capable people that the party needs in order to lead the socialist modernization drive better. These comrades have played in an exemplary way the vanguard role of communists in their work in science and technology, teaching, and other domains and united the broad ranks of intellectuals and experts to make important contributions to the socialist modernization drive.

The Marxist philosophy course for party member experts sponsored by the CPC Central Committee Organization Department requires the students to study the basic theories of Marxist philosophy in light of the current international and domestic realities, further master the scientific world outlook and methodology, improve their understanding of the importance of building socialism with Chinese characteristics and use that understanding to guide their research in natural sciences, strengthen the cultivation of their party spirit, and get to know the basic content and guiding ideology of the 10-Year Program and the Eighth Five-Year Plan. This course started on 3 June and will close tomorrow.

Lu Feng, director of the Central Organization Department, said at the meeting that the experts on the course have shown much enthusiasm in their study. They generally agree that it is very necessary to run such courses which reflect the party organization's concern for the political growth of intellectuals. Through study they have come to the realization that, faced with the complicated international situation and onerous domestic tasks, they must make a good job of the work in their respective lines; solve the problems of stand, viewpoint, and methodology better; and study new situations and solve new problems with Marxism-Leninism. They hold that the study on this course is a new beginning and they should carry it forward and urge the comrades around them to participate.

Carrier rocket expert Xie Guangxuan [6200 0342 6693], Xu Baowen [6079 1405 2429], deputy engineer-in-chief of the Ministry of Geology and Mineral Resources, Fang

Zhicheng [2455 1807 6134], Radio Beijing chief correspondent in Cairo, Professor He Wenchen [0149 2429 6591] of Hebei Provincial College of Light Industry, Zhang Fuliang [1728 1788 5328], vice president of the Academy of Electronics Science of the Ministry of Machine-Building and Electronics Industry, Shi Dequan [4258 1795 2938], researcher with the Chinese Academy of Agricultural Science, Chen Guanrong [7115 0385 2837], senior engineer with the Ministry of Chemical Industry, Wang Shaofei [3769 4801 7378], researcher with the Chinese Academy of Social Sciences, Jiang Shengjie [1203 5110 7132], senior engineer with the China National Nuclear Industry Corporation, Hai Jintao [3189 6930 3447], researcher with the Ministry of Machine-Building and Electronics Industry, and so on, spoke at the meeting about the understanding they have reached through study. They maintained that studying Marxist philosophy is very conducive to their obtaining a better understanding of the situation, firming up their conviction in socialism, and serving the building of socialism with Chinese characteristics better.

Xie Guangxuan held that in order to earnestly sum up the experiences of the socialist modernization drive, it is imperative to consistently study Marxism. Marxist philosophy and the natural sciences are closely related. To develop modern science, we must study Marxist philosophy conscientiously; advancement in the natural sciences will in turn enrich and develop the philosophy. Xu Baowen pointed out that in studying Marxist philosophy, the most fundamental thing is to uphold the principle of integrating theory with practice and strive to master the Marxist stand, viewpoint, and methodology. Fang Zhicheng said: Faced with the complicated international situation, we can maintain our orientation only by conscientiously studying Marxist philosophy and mastering the scientific world outlook and methodology. He Wenchen held that the essence of Marxism is seeking truth from facts, and in order to thoroughly solve the problem of seeking truth from facts, an upsurge of studying Marxist philosophy should be set off in the whole party and the whole nation. Zhang Fuliang said that our party, if equipped with Marxism, will be ever victorious, and it is also the fundamental method to combat peaceful evolution. In their speeches, they said that they would make more efforts in studying Marxism and take an active part in socialist revolution and construction.

In his talk, Song Ping said: What you have learned from studying Marxist philosophy shows that it is very beneficial for comrades engaged in scientific research to conscientiously study dialectical materialism and historical materialism and use them to guide their work. Marxist philosophy is closely connected with the natural sciences and the development of modern natural sciences has further proved the correctness of the basic principles of dialectical materialism. Studying Marxism can not only help us adopt a correct world outlook but also help us master scientific methodology.

Song Ping said: Party member intellectuals should firm up their faith in socialism, concern themselves with party building, and play an active role in carrying out the 10-Year

Program and the Eighth Five-Year Plan and combating peaceful evolution. We should carry on with the reform and opening up unwaveringly. But it must be made clear that our reform is the self-improvement of the socialist system rather than a transformation of socialism into capitalism or replacing the leadership of the Communist Party with the Western multiparty system or replacing socialist democracy with bourgeois parliamentary democracy. Socialist construction is a lengthy process and cannot be plain sailing. But socialism will surely replace capitalism, which is the inevitable law governing the development of human society.

Song Ping said: Young people are the future and hope of our country, and they are also the object that the hostile forces have been striving to win over. Party member experts should take up the responsibility of training young intellectuals and pass a fine ideology, tradition, style of work, and style of study on to our younger generation and help them grow healthily.

He also said: In order to consolidate the socialist system, realize the four modernizations, and accomplish the third-step strategic goal, we need millions of successors who are politically steadfast and equipped with adequate cultural and scientific knowledge. This is a very important matter that concerns the future and destiny of the country.

Some of the party member experts introduced in the column under the title of "Tributes to Excellent Party Member Experts" jointly organized by the Central Organization Department and GUANGMING RIBAO and persons in charge of relevant departments Zheng Keyang [6774 4430 2254], Jiang Zhenyun [5592 2182 0061], Zhang Changhai [1728 1603 3189], and Wang Chen [3769 2525] also attended the meeting.

CPC Anniversary, Jiang Zemin Speech Viewed

Editorial on Speech

CM1907011391 Beijing RENMIN RIBAO
OVERSEAS EDITION in Chinese 19 Jul 91, p 1

[Editorial: "A Programmatic Document"]

[Text] After Comrade Jiang Zemin delivered his "Speech at the Meeting Celebrating the 70th Founding Anniversary of the Communist Party of China," it evoked tremendous repercussions throughout the country. The broad masses of party members, cadres, and people believe the "speech" makes a clear distinction between right and wrong, points out the correct political orientation for them to follow, boosts their confidence, arouses their working enthusiasm, and represents the common aspirations of hundreds of millions of people of all nationalities.

With Marxist dialectical materialism and historical materialism as its guide, the "speech" sums up the basic experiences acquired by the party in leading the revolution and construction in China over the past 70 years in a practical and realistic manner, offers a profound and brilliant exposition on the solemn mission undertaken

by members of the CPC in modern times, and sets the requirement for further strengthening party building during the new historical period. As was pointed out by the circular of the Propaganda Department of the CPC Central Committee on organizing study of the "speech," it is a programmatic document for the party's Central Committee, with Comrade Jiang Zemin as the core, to lead the whole party and people of all nationalities throughout the country to advance along the road of building socialism with Chinese characteristics. Conscientiously organizing study and implementation of the guidelines of the speech is an indubitable and important task facing party organizations at all levels at present.

To study the "speech," first it is necessary for us to carefully and earnestly read its text. The speech is a crystallization of the wisdom of CPC members in waging struggles against extreme hardships and difficulties and in pioneering a magnificent cause over the past 70 years. We must combine study of party history with a review of the course of the struggle to have a clear understanding of the fact that only by taking the socialist road under the leadership of the CPC can we bring about national regeneration and make our country strong and our people prosperous. At present, the socialist cause is encountering serious setbacks all over the world; hostile forces at home and abroad are launching unbridled propaganda for their argument that "socialism ends in complete failure" in an attempt to overwhelm communists and destroy the socialist cause. It is an extremely grim struggle. Using both history and realities and both theory and practice, the "speech" proves, with incontrovertible facts, historical conclusions like: "Without the Communist Party, there would be no New China"; "Only socialism can save China and promote its development"; and so on. It shows that the choice made by the Chinese people for the CPC's leadership and the superior socialist system accords with the people's will and is a historical inevitability. Although the road of progress in the history of mankind is always tortuous, all rivers inevitably flow with surging currents east into the sea. Members of the CPC firmly believe that the communist cause for which they struggle has boundless prospects.

It is necessary for us to integrate study of the "speech" with the practice of building socialism with Chinese characteristics. Where will China head in the 1990's? What is the solemn mission of CPC members in modern times? The "speech" sums up experiences acquired by us in practice and clearly points out the basic requirements and overall blueprint for promoting development of socialist economy, politics, and culture with Chinese characteristics in accordance with the party's basic line, as well as the 12 major principles. The orientation of our struggle, objectives for which we should strive, strategic guiding principles, and specific policies are thus very completely and clearly presented to us. It is another great achievement scored by the CPC members in our times in integrating the basic theory of Marxism with the practice of construction and reform in China. We believe that as long as we earnestly have a clear understanding of what

the socialist economy, politics, and culture with Chinese characteristics are and grasp the profound meaning of every "must" and every "cannot" generally discussed in the "speech," and implement them in practice, there will be great hopes for the country and a bright future for the people.

It is necessary for us to integrate study of the "speech" with study of the theory on party building. The trials and hardships in the past 70 years serve to repeatedly prove a truth, namely, as long as our party is strong and united, we will be able to withstand the test of any storm and continue to score victories; otherwise, we will suffer setbacks and be forced to take a roundabout course. While analyzing the situations confronting the party and the current situation of the party, Comrade Jiang Zemin emphatically pointed out: "It is necessary for our party to not only continue to withstand the test of being at the helm of the state but also face the tests of implementing reform and the open policy, promoting development of the commodity economy, and fighting peaceful evolution." It is a pressing and realistic issue in our endeavor to build the party. When we take an honest look at the communist cause worldwide, we can clearly see that if a communist party in power fails to withstand these tests, it will find itself in an extremely adverse predicament and even lose its political power. We must keep such these lessons firmly in mind. To this end, the "speech" sets explicit, specific, and stricter demands on a series of major issues, including strengthening party building ideologically and organizationally, improving the party's work style, and training millions of successors to the cause of socialism on the basis of Marxist doctrine on party building; it thus clearly shows the orientation for our party building work for some time to come.

The "speech" says: "Our party has all along attached importance to ideological work. Whether we have done a good job in this field will have a direct bearing on the success or failure of the cause of socialism. Ideology is an important sphere for the contention between peaceful evolution and the struggle against it." If party organizations at all levels want to be able to conscientiously meet the challenge and not lose their bearings in the struggle, their top priority tasks are to work hard in studying and to keep a clear head. Conscientiously studying well Comrade Jiang Zemin's important speech delivered on "1 July" is an important task for us in the current drive to strengthen the party ideologically and theoretically. It is necessary for party committees at all levels to earnestly do a good job in organizing study and make it become a widespread activity of Marxist education. We believe the CPC, which has excellent traditions, will definitely be able to maintain its true qualities, resist corruption and prevent any unexpected turn of events, build a great wall of steel against peaceful evolution, withstand greater tests, become a worthy core of leadership that leads people of all nationalities throughout the country to achieve the magnificent goal of socialist modernization, and continuously push forward the cause of socialism pioneered by the proletarian revolutionaries of the older generation.

Tradition, Foreign Influences

OW1507141691 Beijing XINHUA in English
1208 GMT 15 Jul 91

[Text] Beijing, July 15 (XINHUA)—A renowned Chinese literary critic said here today that new China, with the exception of the "Cultural Revolution" period (1966-1976), has continuously inherited its traditional culture and absorbed the best qualities of foreign culture.

Li Xifan, an expert on the study of the classic novel "*A Dream of Red Mansions*," said that history shows that the most glorious period of a culture often coincides with the climax of its interactions with the outside world.

The critic made these remarks when commenting on a recent speech by Chinese Communist Party General Secretary Jiang Zemin on developing socialist culture with Chinese characteristics.

Jiang said in his July 1 speech to commemorate the 70th anniversary of the Communist Party of China (CPC) that Chinese socialist culture should not only inherit its traditions but also absorb the best aspects of foreign culture.

Jiang stressed that both nihilism and total Westernization should be banned.

Li supported Jiang's views, saying that a country should not be afraid of foreign culture or of promoting cultural exchanges. The same holds true for China, he said, adding that Chinese culture is deep rooted and will never disappear in the process of exchange.

"In this aspect," Li noted, "it is vital that we digest foreign culture properly."

On Chinese traditional operas, Li said that both of the world's two classic operas, those from ancient Greece and India, have disappeared along with the passage of time, but Peking opera remains and is still vigorous today.

The critic said, "In the 1950s and 1960s, China's borrowing of foreign cultures seemed to have stopped."

"However, even at that time, China translated stacks of foreign literary masterpieces, including those of Russian writers such as Leo Tolstoy, Ivan Turgenev and Chekhov, as well as those of many English, French and American writers," he countered.

Li said that at present, China should absorb both classic and contemporary cultural achievements as long as they are national, innovative and appropriate for China.

"The modern art and recreation recently introduced from the West, should be absorbed as well, as long as they are not hazardous to today's young people," the critic said.

He stressed that inheriting traditional cultural never means copying. He said that after the founding of the People's Republic of China in 1949, the government has

done a lot to sift out the cultural heritage of China, especially in the field of traditional operas.

He said that the four classic literary masterpieces of China—"A Dream of Red Mansions," "Outlaws of the Marsh," "The Romance of the Three Kingdoms," and "A Pilgrimage to the West"—now all have their own research organizations. The best example can be seen by the study of "A Dream of Red Mansions." A special academic journal on the work has been published for the past 11 years, with circulation at around 10,000 for each issue.

Li, who is also the vice president of the Chinese Academy of Arts, said that his academy represents the best example of how to combine the study of traditional Chinese culture with foreign cultures.

The academy, with 10 institutes on traditional Chinese operas, dances, paintings and other art fields, celebrated its 10th anniversary last year with the publication of more than 350 relevant books.

XINHUA RIBAO Editorial

OW1807093791 Nanjing XINHUA RIBAO
in Chinese 27 Jun 91 p 1

[Editorial entitled "A Common Holiday for the Party and the People: In Warm Celebration of the 70th Founding Anniversary of the CPC"]

[Text] The Communist Party of China [CPC] has struggled for the liberation and happiness of the Chinese people for fully 70 years. Its glorious 70th birthday falls on 1 July this year. It is a festive occasion of the party worth our celebration also a holiday shared by the people. Recalling the past and comparing it to the present, the people of all nationalities throughout the country will find the CPC's practices of plain living and hard struggle, meritorious services that will go down in history, and the road to success over the past 70 years leaping up vividly before their eyes. A historical conclusion has been indelibly engraved on the hearts of the people—namely, that only the Communist Party can save China and promote development in China. At this moment, people are solemnly commemorating and celebrating the 70th birthday of the party with the very same faith and are determined to rally more closely than ever around the CPC, advancing along the road of building socialism with Chinese characteristics, and striving for a new victory in achieving the second-step strategic objective of our modernization.

Like everywhere else throughout the country, joyful celebrations can be seen all over the urban and rural areas in Jiangsu Province on the "July 1" holiday. Various forms of commemorative activities and celebrations are unfolding at factories, villages, towns, organs, offices, army units, and schools. All the people are singing and dancing—from communists to the masses, and from kindergarten children to old men with their hair turning white, extolling the great achievements and contributions of the CPC. The people realize from their

personal experience that it was the leadership of the CPC that turned a war-torn Old China whose people went through untold sufferings into a socialist New China that maintains independence and keeps the initiative in its own hands and that has enjoyed prosperity at the initial stage and, meanwhile, relieved the broad masses of the people of their unbearable sufferings and made them truly masters of the state. The sound of the song "There is No New China Without the Communist Party" sung by the people can be heard everywhere in the motherland on the days when the party's founding anniversary is being celebrated. Hundreds of millions of people are expressing their most heartfelt aspirations.

The Chinese people have a deep love for the CPC, because the only purpose the CPC has is to serve the people wholeheartedly. Except for the interests of the working class and the broad masses of the people, the communist party has no special interests for itself. Communists come from the masses of the people, take root among them, work for their interests wholeheartedly, and maintain flesh-and-blood ties with them. Communists consider themselves "sons and daughters of the people." The people cordially call the party "our party." The masses of the people are witnesses to the party's history. They see from their personal experience that the CPC is, indeed, the vanguard of the proletariat and the loyal representative of the interests of all Chinese people. The party was founded for the people and expanded and grew in the struggle for their interests. Just as Marx and Engels point out in their "Manifesto of the Communist Party" that "all movements in the past were minority movements or movements for the interest of the minority. The movement of the proletariat is a movement of the overwhelming majority and an independent movement for the interests of the overwhelming majority of people." The model deeds of Chinese communists during the past 70 years—exemplified in their revolutionary sentiment of worrying about the fate of the country ahead of the people and enjoying comforts only after the people have been assured of happiness, the revolutionary spirit of fearing neither hardship nor death, and readiness to press forward in danger—have produced broad and profound effects among the vast public and become an enormous spiritual force. The people can never forget the lofty dedication displayed by communists during the period of democratic revolution. "We are ready to be beheaded on behalf of our belief as long as it is a truth; even though Xia Minghan has been killed, there will be more like him coming," and "our heads can be chopped off, our limbs can be broken, but our revolutionary spirit cannot be extinguished. Heroes are ready to have their heads chopped off for the party and have their bodies disintegrated for the masses." Whenever people sing the lyrics of these epics written by martyrs' blood and lives, they can see the lofty spirit of death-defying communists. At Nanjing's Yuhuatai, thousands upon thousands of communists and patriots, defying the enemy's bullets and bayonets, proudly shouted, "the Chinese people's revolution will win" before they died! Such communist dedication has been

carried forward and new epics have been written during socialist construction—such as the spirit of Meng Tai, who saved every li [one thousandth of one yuan] of money for the state; the spirit of Shi Quanxiang, who did the dirty work of disposing nightsoil for the people; the iron-man spirit of Wang Jinxi, who was determined to make the development of a big oil field a success; and the spirit of Lei Feng and Jiao Yulu, who served the people wholeheartedly. In short, since ancient days, no other group in China, except the CPC, has ever been willing to give up everything for the interest of the people. In fact, "serving the people wholeheartedly" has become the communist image known to everybody in China. Specifically because of this, people in China are willing to follow the CPC, rally closely around it, and share the same destiny and fight hard with it.

People in China support the CPC. This is because the program, lines, and policies of the CPC reflect the laws of social and historical developments, are in line with China's situation, and can guide the people to fight hard for their own interests and win one victory after another. We can see very clearly from China's modern history that the leadership of the CPC is the choice correctly made by the Chinese people, as well as an inevitable outcome of China's social and historical developments. Over the past 100 years or so, countless number of people with lofty ideals—from Hong Xiuquan to Dr. Sun Yat-sen—followed one after another to seek the way to save the country and the people, and they waged unyielding struggles with imperialism and feudalism. They learned from the West and intended to build a bourgeois republic, but imperialist aggression and feudal oppression defeated all their experiments, and their ideals burst like bubbles. That compelled the people to make a new choice for the future of the country and follow a new course of national liberation. The Chinese working class and Chinese intellectuals realized from the victory of Russia's October Socialist Revolution that the proletariat and socialism, not the bourgeoisie and capitalism, represented historical progress and determined the destiny of mankind. The integration of Marxism with the workers' movement in China produced the CPC, and the Chinese revolution appeared with a new outlook since the founding of the CPC. Immediately after its founding, the CPC took over two burdens—the new democratic revolution and the socialist revolution—and put forward the highest program—the program of achieving communism. During the new democratic revolution, our party integrated Marxism and the revolution in China; drew up and followed a series of correct lines, principles, and policies; and led the people to wage heroic struggles to remove imperialism, feudalism, and bureaucrat-capitalism, which weighed like three big mountains on the backs of the Chinese people before liberation; and founded New China. After the People's Republic was founded, the CPC again led the people in launching socialist construction. Following the Third Plenary Session of the 11th CPC Central Committee, the CPC, holding itself fully responsible to the people, examined the lessons it learned from socialist

construction, upheld truth, corrected its mistakes, decisively switched the focus of work to economic construction, upheld the Four Cardinal Principles and the general policy of carrying out reforms and opening to the outside world, and led the people in the country to build a socialist society with distinctive Chinese characteristics. By the end of the 1980's, China had already achieved its first strategic objective: The GNP had doubled, the state's economic strength had become noticeably stronger, the endeavor to promote socialist ethics had borne fruitful results, the people's living standards had improved noticeably, and a gratifying situation marked by political, economic, and social stability had appeared. The enormous changes in Jiangsu and other parts of the country during the last decade or so prove that the line followed since the Third Plenary Session of the 11th CPC Central Committee is a Marxist line that is in accord with the people's fundamental interests. It was the second leap after the first leap during the new democratic revolution in which the CPC found the unique course of Chinese revolution by integrating Marxism with China's actual situation. With an objective to find a way for socialist modernization, the second leap found the course for building Chinese-style socialism and started the new stage of socialist construction. The masses, witnessing the great vitality of China's socialist cause, are greatly encouraged. They wholeheartedly support and fully trust the CPC's correct leadership, and they are fully confident in the future.

The CPC needs the people, and the people need the CPC. All the victories we have won in revolution and construction during the past 70 years are achievements of the people who fought in unity under the CPC leadership, and our triumph over the sabotage and disturbances launched by hostile forces at home and abroad are also the results achieved by the masses who have fought heroically under the CPC's leadership. Today when we are firmly adhering to the course of building a Chinese-style socialist society and achieving the second strategic objective of modernization, we must also count on the people and their flesh-and-blood ties with the party. Since we have both, our socialist cause will be invincible.

Building a Chinese-style socialist society is a project based on the basic experiences gained by the party since the Third Plenary Session of the 11th CPC Central Committee, including the 12th and the 13th CPC Congresses, from integrating universal Marxist truths with China's actual situation. Comrade Deng Xiaoping has provided the basic guidelines and principles for this project, and the Seventh Plenary Session of the 13th CPC Central Committee set forth 12 principles for this major issue. Our principal assignment today is to implement and develop these principles and make continuous efforts to achieve this big scheme when the vast number of cadres and people are engaged in the great cause of building a Chinese-style socialist society. We must fully implement these 12 principles. The main thing we must do is to develop our productive forces and boost economic construction. Our party has drawn up a magnificent blueprint for achieving socialist modernization in

three steps. Under the Eighth Five-Year Plan and the 10-Year Program, we will redouble the GNP by the end of this century; the people will lead a comparatively comfortable life; the nation will have greater overall strength; and a foundation will have been laid for the three steps in building China into a prosperous, democratic, and civilized modern country. This common goal of the whole country will bring the party and people closer together. During this process, Jiangsu Province will also be built into an economically prosperous, educationally developed, and civil province where people enjoy a comparatively comfortable life.

While our objective is grand and formidable, we can accomplish anything, no matter how hard it may be, as long as we mobilize the enormous enthusiasm, initiative, and boundless creativity of the people. Stronger party unity and stronger party-people solidarity are the fundamental guarantees for victory. The party Central Committee has time and again stressed that the question of China is predominantly one of stability. Stability requires unity, and unity creates stability. "The unification of our country, the unity of our people and the unity of our various nationalities—these are the basic guarantees for the sure triumph of our cause." These words of Comrade Mao Zedong have special significance today. Without exception, all hostile forces at home and abroad, in their attempt to stop China from building socialism, have aimed their spearhead at the party, and they have wildly attempted to foment discord between the party and the people, but the flesh-and-blood relationship created between the party and the people during the 70-year struggle is too strong to be destroyed by them, and the party will not waver in its leadership over the socialist cause. We must be highly on guard of the hostile forces' conspiracy and firmly struggle against "peaceful evolution." Meanwhile, we must continue to implement the decision of the Sixth Plenary Session of the 13th CPC Central Committee—strengthen the party's ties with the people, build our party into a stronger party, make great efforts to improve party conduct and administrative ethics, combat negative sentiments and corruption within the party, and strengthen the party's coherence and militancy. On the basis of consolidating worker-peasant alliance, we must continue to develop the broadest united front among all socialist workers and patriots who support socialism and national reunification, and strengthen the great unity of people of all nationalities. With the correct leadership provided by the party Central Committee with Comrade Jiang Zemin as the core, and with the ironclad party-people unity, our socialist cause will certainly win even great victory no matter what obstacles there will be on our way ahead.

State Council Flood Relief Group in Jiangsu

OW1907115991 Beijing XINHUA Domestic Service in Chinese 0604 GMT 19 Jul 91

[Report by reporters Yang Futian (2799 4395 3944) and Zhou Zhenfeng (0719 2182 0023)]

[Text] Nanjing, 19 Jul (XINHUA)—A State Council flood control and relief work group yesterday wound up a tour to Jiangsu to inspect the flooded areas and express its concern. During the inspection, the work group highly evaluated the flood control and relief work in various places in the province.

The State Council work group visited more than 70 flood-stricken areas in 22 counties (cities) in northern and southern Jiangsu 11-18 July. The work group noted that flooding on an extraordinary scale has inflicted serious damage to Jiangsu and that party committees and governments at various levels in the province have resolutely implemented the instructions of the party Central Committee and the State Council and adopted correct policies and measures to combat disaster and deal with emergencies.

During the inspection, the work group promptly reported to the State Council pressing problems faced by various localities in flood control. After the work group's return to Beijing, the government will take further action to support Jiangsu's flood control and relief work.

RENMIN RIBAO Commentator on Flood Control

HK1807152891 Beijing RENMIN RIBAO in Chinese 14 Jul 91 p 1

[Commentator's article: "Carry Forward Spirit of Subordinating Local to Overall Interests in Fighting Floods"]

[Text] A good style is displayed in the struggle against great disasters.

Over the past few days, heartening news reports of the people uniting and cooperating with each other in combating floods have poured in from the areas seriously hit by floods. To seize the victory of the antiflood struggle, the party organizations, governments, cadres, and the masses of some localities have consciously subordinated their local interests to overall needs and sacrificed their local interests for the sake of the overall interests, displaying a lofty spirit.

This spirit, which places importance on the interests of the whole, is a dynamic manifestation of the socialist spiritual civilization and a major requirement for successfully fighting big floods and all other disasters. In advancing the cause of socialist modernization, we should, from beginning to end, carry forward this spirit of subordinating local to overall interests.

Our country is a whole. Only when the cadres and masses from all fronts, localities, departments, and units take the overall situation into account, make concerted efforts to attain the common objective, fight in unity, and subordinate local to overall interests can we do well the great cause of building socialism with Chinese characteristics.

Subordinating local interests to overall interests shows the loftiness of one's mentality. To be subordinate, there must

be certain kinds of sacrifice. Whether local, those of the minority, and immediate interests can be sacrificed for the sake of overall, those of the majority, and fundamental interests is a practical test to determine whether there is the spirit of communism and collectivism. We won all the victories during the revolutionary war years because we had this spirit. During the period of construction, we must continue to carry forward this spirit.

Subordinating local to overall interests is a manifestation of firm belief in party leadership and the socialist system. A peasant from Shanghai, who was willing to bear heavy losses for the overall interests of combating floods, said: "It's my duty. We believe in the Communist Party!" True, only by upholding party leadership, adhering to the socialist system, and uniting the people of the whole country can we rebuild the damaged farmland and collapsed houses, and retrieve the losses. We will never allow to be repeated today the miserable scene of disaster victims wandering about in a desperate plight in the old society.

Subordinating local to overall interests is also a manifestation of the superiority of the socialist system. In our socialist country, the people of the whole nation share the common interests, faith, and moral values. The majority of the people are aware of subordinating local to overall interests. With the powerful leadership of our party and government, we will certainly be able to appropriately handle relations between local and overall interests and work for the well-being of the people of the whole country.

Subordinating local to overall interests is also an expression of the strategic viewpoint of material dialectics. A whole cannot be separated from the part. Without local interests, overall interests would be unimaginable; without overall interests, local interests would not last long. The purpose of "coordinating all the activities of a nation like pieces in a chess game," "giving up the soldier to protect the general," and "giving up the general to save the king" is to win the final victory. In our country, when the localities think of the whole, the whole will certainly take the local interests into account. When the whole is in trouble, it will be difficult for the part to get along well; when the whole is fine, the part will not get into trouble.

While protecting the material wealth of the state, collective, and people, the broad ranks of cadres, masses, officers and men of the People's Liberation Army and armed police fighting on the antiflood front are at the same time creating valuable spiritual wealth. While vigorously supporting the people in the disaster areas combat floods, the cadres and masses of all localities across the country should emulate their lofty spirit which includes subordinating local to overall interests.

Article Urges Effective Population Control

HK1807032491 Beijing RENMIN RIBAO in Chinese
12 Jul 91 p 3

[Article by Shen Yimin (3088 4135 3046) of the Population Department of the State Statistical Bureau: "Endeavor To Do Good Job in Population Control"]

[Text] In line with a suggestion by the UN Population Foundation, 11 July 1987, the day the world's population reached 5 billion, was designated "The Day of the 5 Billionth." Today marks the fourth anniversary of this day and the concerned departments in our country have held commemorative activities once again. Commemorative activities marking "The Day of the 5 Billionth" are of great significance in stabilizing the world's population and controlling its excessively rapid growth.

Before the 17th century, there was a shortage of reliable materials concerning the changes in the world's population. According to the estimates by some demographers, in the first 1 million years since the appearance of mankind, the population probably numbered 2-5 million. With the start of the new Stone Age, 8000 to 5500 B.C., the population was around 10 million. In 2500 B.C., it was roughly 20 million, and in 1000 B.C., it reached 100 million. The population stood at 200 million at the start of the Christian era. According to the United Nations "Population Communiqué" and "Population Yearbook," the population in 1650 was 470 million, more than 1 billion in 1830, and 5 billion in 1987. According to calculations by the "Population Reference and Information Bureau," a nongovernmental research institute in Washington, U.S.A., based on the current situation, the world's population will reach 5.384 billion in 1991 and 6 billion in 1998.

The trend toward the rapid growth of the world's population is very prominent. It took nearly a century for the first 1 billion mark in world population attained in 1830 to break the 2 billion mark in 1927. It then took 33 years from the 2 billion mark to the 3 billion mark in 1960; 14 years from the 3 billion mark to the 4 billion in 1974; 13 years from the 4 billion mark to the 5 billion mark in 1987; and a mere 11 years from the 5 billion mark to the 6 billion mark sometime in 1998.

The relevant UN information shows that the world's population is growing at a rate of three persons every second or 250,000 per day. The additional population in the 1990's will reach 90 million to 1 billion every year, equivalent to the total number of people in East Europe or Central America. According to the latest estimates, the total world population in the year 2000 will reach 6.3 billion, 130 million more than the estimated figures made in 1984.

Striving to do a good job in the population control work in our country is the most meaningful way to mark the Day of the 5 Billionth. China is the most populous country in the world and accounts for one-fifth of the world's population. The "PRC Outline of the 10-Year

Program and of the Eighth Five-Year Plan for National Economic and Social Development" proposed: "Strive to keep the annual natural growth rate of the population within 12.5 percent in the next 10 years." According to this target, the population at the end of this century will not exceed 1.3 billion. Completion of this planned target on population growth control is of great significance in assuring the realization of the second-step and third-step strategic objectives in the modernization and construction of our country.

The realization of the strategic objectives in the modernization and construction of China will be decided not only by the rate of national economic growth, but also by the situation concerning the control of population growth. According to materials from the 1990 "China's Statistical Yearbook," the national income in our country was 58.9 billion yuan in 1952 and rose to 1,312.5 billion yuan in 1989. Calculated according to comparable prices, this means a 10.3 times increase over a 37-year period and an average annual increase of 6.78 percent; this is a fairly high growth rate, but during this period, our mainland population rose from 574.82 million to 1,127.04 million, an increase of 96 percent. Meanwhile, per capita income grew by only 4.78 times, with nearly half of the additional national income neutralized by the additional population. This reflects the importance of controlling population growth vis-a-vis the strategic objectives in modernization and construction.

In the last 20 years, and particularly since the Third Plenary Session of the 11th CPC Central Committee, following the joint efforts of the entire party, all people, and the family planning workers, our country has achieved universally acknowledged accomplishments in the control of population growth. With 200 million fewer births during this 20-year period, it not only benefitted the modernization and construction in our country, but also made a major contribution to the control of the excessively rapid growth of the world population.

BAN YUE TAN on Challenges Facing PRC

OW1807044191 Beijing BAN YUE TAN in Chinese
No. 7, 10 Apr 91 pp 14-16

[Article by Zhang Zhengxian (1728-2973 2009): "Good Opportunities Are Not All We Face"]

[Text]

I.

The 1990's, the last decade of the 20th century, will have unusual implications to the Chinese people in their march to modernization.

In their excitement, and with dreams and fervent hopes ignited by the illustrious achievements scored during the 1980's, people are discussing opportunities rarely seen in history, are depicting magnificent pictures of a comparatively well off life, and are looking forward to a still brighter future in the coming century.

The future seems bright. However, we should sober up because history never provides smooth sailing.

As we cross the threshold of the 1990's, what we are facing are not only promising opportunities and hopes, but also mounting difficulties and severe challenges—

Population Explosion: A Sword Hung Over the Heads of Our Countrymen

Just as the year 1989 sounded an alarm over the Chinese population exceeding 1.1 billion mark, the third birth peak has arrived with vigorous momentum. Experts predict that the population will increase by 15 million every year, and they will consume one quarter of the increase in the gross national product annually.

Here are problems accompanying the population increase: Employment-seeking will remain at a peak for another five years, and the unemployment rate will break the current rate of 2.6 percent; the aging population will surely increase the burdens on society; and the poor quality of a large segment of the population will hardly be improved in the near future.

Constraint of Agriculture: "Should A Problem Occur in the 1990's, It Will Probably Come From Agriculture"

The basic national condition of Chinese agriculture having to use 7 percent of the world's cultivated land to feed one quarter of the world's population dictates that we should not be optimistic about the agricultural situation.

Behind the historical advance achieved in agriculture in the 1980's, we should not ignore the following facts: Between 1980 and 1989, an annual total of some 50 million mu of farmland decreased nationwide; 520 million mu of soil eroded; 770 million mu of grassland degenerated; 60 million mu of farmland were polluted; and 10 million mu of farmland became desert. Surplus labor in rural areas have made agricultural modernization an even more difficult task.

With the improvement in the people's livelihood and with the growth in the total population, consumption in agricultural products will also increase.

Insufficient Resources: Plenty of Resources, But How About Per Capita Ownership of Resources?

Look at the following figures: Per capita farmland is only 1.29 mu, but the country's farmland continues to decrease by at least 3.5 million mu annually; per capita ownership of water resources is 2,500 cubic meters, less than a quarter of the world's average; and despite China being the world's third largest country of mineral resources, per capita ownership of mineral resources is less than half of the world's average.

What makes our fellow countrymen even more abashed is the low utilization rate of China's resources. Take energy, for example. China's energy consumption for every unit of gross national product is 100 percent more than that of India and 300 percent more than that of Japan.

Although there is room for closing the gap in utilization rates, it cannot be eliminated overnight.

Shortage of Funds: The Industrialization Hurdle That Is Difficult To Surmount.

Our economy is in a period of growth that requires a large amount of funds, but the greater part of the increased national income of each year has to be used to improve the standard of living of the existing population; most of it is consumed by the increased population, and only a small part of the national income can be used to support economic construction. In addition, our fund accumulation mechanism has changed, with the result that only a limited amount of capital is under the control of the state; the level of national consumption is unduly high and the consumption pattern is also irrational; and the servicing of national debts, especially foreign loans, will soon enter the peak period.

The shrinking of the world's capital market, the quest for foreign capital by the changing economies of the East European countries, and the West's quest for values [jia zhi qu xiang 0116 0237 0648 0686] will cause China to face fiercer competition for foreign capital.

Change in Structure: This Is a Difficult Period for Economic Growth.

Observation of development in many countries reveals that the phase during which per capita income grew from \$400 to \$800 was a period in which the change in the production structure accelerated and which was also a difficult period for social development.

Difficulties were numerous during the shift from the extensive means of increase, marked by the simple quest for output value and output, to the intensive means of increase, marked by the stress on raising economic efficiency; and also from long-term imbalances in the industrial setup to sustained, steady, and coordinated development. In recent years, China has made several economic readjustments. But every time, when total supply and total demand were reduced to a proper level, the economy stagnated because of structural problems.

The people's traditional mode of life of having just enough food and clothing will certainly change dramatically when they reach the new stage of leading a fairly comfortable life. This will certainly give rise to all kinds of social problems.

This writer has no intention of engaging in alarmist talk, but with this he is trying to draw the people's attention and ask them to pay more attention to these problems by adopting a practical attitude so that a consensus may be reached on how to overcome them.

II.

Great responsibilities are needed if we want to realize the four modernization drive. What is important is that we should have the spirit of seeking progress through hard

work, the vitality to advance incessantly, and the courage and the heart to boldly meet challenges.

At the same time, it is absolutely necessary that we remain sober-minded, farsighted, and wise in anticipating hardship and crises.

We should not forget our past lessons—

Maybe our nation's progress has been delayed too long by history, and maybe impatience for quick results and constant readjustments due to constant overheatedness have always been a stubborn disease of the economy. As there is not much leeway for us to move around much in the 1990's, we should try our best to avoid the setbacks we experienced in the past.

We must not be blinded by our existing achievements—

No one will deny that through reforms and opening up to the outside world, we created the miracle of rapid economic development in the 1980's. However, we should not expect that in the 1990's the momentum of China's economic growth will be retained naturally. The growth obtained in the 1980's was unconventional because it was obtained through the transformation of the relations of production, which resulted in the emancipation of forces that had been suppressed for years by the old system. It will be very difficult for a similar miracle to occur again. As the economy grows and reforms deepen, difficulties and risks will increase correspondingly. We should expect proper and steady growth.

III.

An ancient Chinese philosopher once said that adversities can make one survive while comforts cause one to perish. If we are indifferent to our difficulties, whitewash the reality, and take the challenges lightly, we will have to pay a heavy price for our acts.

Nonetheless, we should not go to another extreme by exaggerating the difficulties, being pessimistic and disappointed, and hesitating to go ahead. The entire purpose of being conscious that we are confronted with adversities is to stir up our people's unity and sense of urgency, to stimulate their fighting will and confidence, and to encourage them to advance in the face of the difficulties and to break through the hardships.

We have come to a new historical starting point and have taken the second step toward modernization. During the last decade, our economic development and the doubling of the gross national product have formed a strong material foundation. As a result of more than ten years' reform, there have appeared many new system growing points in our economic life, and a sharp change is coming up in our economic mechanism. In the meantime, more than ten years' efforts to open up to the outside world have created a favorable condition for us to utilize foreign resources and overseas markets and have opened up a wider space for our economic activities.

As the masses well put it, there are always more ways than difficulties. By soberly facing the reality, utilizing advantages, averting what is harmful, bringing into full play our strong points, and sidestepping our shortcomings, we are bound to break through the difficulties and get out of the predicament. All along, our state and nation have risen up in difficult environments and have won victories by struggling to surmount dangers and hardships.

For the 1990's, we have set up our goal and have a clear mentality. A host of battles to tackle the most difficult problems have already begun. Control of population growth has been listed as a criterion for evaluating the performance of principal leaders at various levels. The importance of agriculture as the fundamental economic sector has never drawn so much attention as it does today. The reform aimed at integrating the planned economy with market regulations, and the work of rational allocation of resources, optimization of production setups, and promotion of economic growth, are being carried out with increased efforts and at a higher speed. Experiments with the stockholding system and the thriving of securities markets will open more diversified fund-raising channels to meet the needs of industrialization.

The era of the 1990's is a crucial period to enable China's economy to embark on the road of sustained, stable, and coordinated development; and it is a decisive period for laying the groundwork for China to catch up with modern global economic trends. We should meet the challenges and should triumph over them; there are no other choices.

Article on Unification, Pan-Asian Security

*HK1807051091 Hong Kong LIAOWANG
OVERSEAS EDITION in Chinese No 27, 8 Jul 91
pp 3-4*

[By Li Shuiwang (2621 3055 2489), deputy director of the Chinese Academy of Social Sciences Institute of Taiwan Studies, and Huang Wentao (7806 2429 3447), Head of Hong Kong and Macao Studies unit of the Chinese Academy of Social Sciences Institute of Taiwan Studies: "China's Unification and Asia-Pacific Regional Security, Cooperation" (Part One)—First six paragraphs are editor's note]

[Text] In evaluating the situation in the Asia-Pacific region in the 1980's, the progress of China's unification is obviously an important aspect that cannot be neglected.

First of all, the development of China's unification process over the last 10 years or so has enriched the prospects for cooperation and has eased the situation between countries and regions in the Asia-Pacific region; and has solidified and strengthened the "peace and development" mainstream in the international community.

Second, China's theory and practice of unification have, to a certain extent, changed and refreshed traditional state theories and concepts of international politics. China's policy of adhering to reform and opening up has not only brought about an historic change to the unification process,

but has changed the situation of tension and uneasiness that once existed in the Asia-Pacific region.

Third, "China's economic relations nexus," a new type of economic growth mechanism directly related to China's unification process, has grown rapidly over the last 10 years or so and has assumed a preliminary shape. This nexus has gained a certain status in the Asia-Pacific regional economic pattern and this has produced a corresponding influence.

Based on the above understanding, this article will discuss China's unification process in the context of Asia-Pacific regional development, and offer our preliminary views, on a macroscopic level, to two problems we focus on: One, what progress China's unification process has achieved in the 1980's and what kind of influence this progress has brought to Asia-Pacific regional security and cooperation; two, what are the prospects for China's unification given the new changes in the current international political and economic situation.

Due to space limits the article is divided into two parts and will be published in two installments.

The Development Process of China's Unification in the 1980's

As a political concept and as a political practice, the unification of China in fact comprises two aspects which differ in nature: One is resolving the Hong Kong and Macao problems, namely the resumption by the Chinese government of sovereignty over Hong Kong and Macao; and two, resolving the Taiwan problem, namely ending the longstanding separation of the two shores of the strait and bringing about a peaceful unification of Taiwan with the motherland mainland.

The progress of the above two aspects in the 1980's can be summarized in the following three categories:

1. China conducted successive negotiations with Britain and Portugal concerned with resuming sovereignty over Hong Kong and Macao and reached agreements recognizing that China will resume sovereignty over Hong Kong and Macao in 1997 and 1999, respectively, thus settling problems left over by history. On 27 May 1985 and 15 January 1988 respectively, Hong Kong and Macao officially entered the transition period toward the resumption of sovereignty.

Under this category returning sovereignty over Hong Kong and Macao is of top importance. But the Chinese government's considerations go far beyond this. In resolving the Hong Kong and Macao problems, the Chinese government expect to see results from: The realization of full sovereignty while maintaining the prosperity and stability of the region, as well as its status and functions in the international economic network. For this purpose, the Chinese government put forward the well-known policy of "one country two systems" and gradually developed it into stable and solid system in which a relatively sound political concept and legal

system are integrated with an effective political mechanism, the most important of which are:

—A system of legal guarantees. According to the "Hong Kong Special Administration Zone Basic Law" and "Macao Special Administration Zone Law" drafts, whose formulation was based on Article 31 of the "PRC Constitution" promulgated in 1982, the essence of the policies already embodied, or going to be embodied in explicit legal form is as follows: Having reclaimed sovereignty over Hong Kong and Macao, according to "Constitution" Article 31, China will institute a special administrative zone in Hong Kong and Macao under the direct authority of the central government; the zones will respectively pursue "Hong Kong under the rule of Hong Kong people" and "Macao under the rule of Macao people," possess a high degree of autonomy and will maintain "three no changes:" no changes to the social system and lifestyle, and no basic change to laws.

No change to the social system means Hong Kong's and Macao's existing political, economic and cultural systems will remain unchanged; that is their capitalist nature will be preserved. So-called no changes to lifestyle refers to the absence of change in the overall conditions of Hong Kong and Macao people, which is made up of their living standards, sources of living, aims of life, their demands and attitudes to life and the freedoms and rights they are able to enjoy in their lives. No basic change to laws means basically there will be no change to laws currently in force in Hong Kong and Macao.

—A system of political guarantees. This chiefly refers to cooperation between China, Britain and Portugal on issues related to Hong Kong's and Macao's transition, based on the Sino-British and Sino-Portuguese Joint Declarations. Overall cooperation includes things on three different levels: 1) During the transitional periods Britain and Portugal respectively are responsible for Hong Kong's and Macao's administration, and safeguarding and maintaining their economic prosperity and social stability; the Chinese Government will provide active cooperation in this aspect but will not intervene in the British Hong Kong Government's and Macao Government's administration. 2) To ensure a smooth hand-over of Hong Kong's and Macao's sovereignty, China and Britain and Portugal will conduct full and regular consultation and cooperation during the transitional periods, study and adopt proper measures to ensure smooth progress of hand-over of political power, and create conditions to enable more Hong Kong and Macao people to join and work in government departments. 3) During the transitional period, Both China and Britain and Portugal will coordinate in adopting proper actions to maintain Hong Kong and Macao as an independent customs area, preserve their foreign economic relations, and maintain international rights and obligations concerned with Hong Kong and Macao.

2. On the issue of the unification of the two shores of the strait, there are still difficulties and obstacles. The political stalemate has not been broken nor has hostility been eliminated. On the other hand, as a result of the workings of various converging factors, significant breakthroughs have occurred in nongovernment relations and an historic turn appeared in two-shore relations which have entered a new historical period.

Over the last 10 years or so, the CPC's principle of "peaceful unification and one country, two systems" and a range of its policies and measures designed to ease up the strait situation and promote two-shore exchanges, have become mainstream in two-shore relations that are moving toward positive change. On Taiwan Island, nongovernment forces have been the major pushers for developing cross-straits relations. Under popular pressure for "three communications" and "four exchanges" from various Taiwan circles over recent years, the Taiwan authorities have made some relaxations such as allowing people to visit their relatives on the mainland, and nongovernment exchanges with the mainland in economy and trade, culture, academic fields, and sport. With that, the political ice cutting off cross-straits contact and communications has been broken piece by piece, with increasingly frequent exchanges in various fields, rapidly developing economic and trade relations between the two shores, and a strengthening in political interaction. Although political contact has yet to begin, contacts and talks on the nature of settling various problems arising from nongovernmental cross straits exchanges, so-called "alternative type of contacts and talks," have begun.

3. The formation and development of a "China's economic relations nexus."

In the historical process of China's unification, another attention grabbing reality is that, over the last decade, indirect and direct economic relations between mainland China, Hong Kong, Macao and Taiwan regions have seen relatively great development.

3.1 Beginning in 1979, traditional trade relations between Hong Kong, Macao and the interior, entered a new historical stage of development. They have gone beyond the traditional trade-only pattern and have moved toward diversified, multi-level, multi-form, comprehensive cooperation in fields such as industry, banking, transport, tourism, building and science and technology.

On the trade front, in 1979 the interior's trade with Hong Kong amounted to a mere \$17,048 billion [Hong Kong dollars], but jumped to \$343,448 billion [Hong Kong dollars] in 1989, a 20-fold increase. In 1990, bilateral trade amounted to \$283,604 billion [Hong Kong dollars]. Between 1979 and 1989, the gross value of Hong Kong products shipped to the interior annually increased by 85 percent on average, and entrepot trade annually by 84 percent. Gross value of interior products exported to Hong Kong or other countries via Hong Kong annually increased by 31 percent. **The rapid expansion of interior trade with**

Hong Kong has been the important reason for the re-emergence of Hong Kong's traditional entrepot trade status.

Regarding investment, direct investment from Hong Kong and Macao has consistently ranked top in the share of foreign investment attracted by the interior. According to the Economic and Trade Ministry's latest statistics, by 1990, Hong Kong's and Macao's investment in the interior had reached \$2.3540 billion, ranging over processing and manufacturing, services and trade, and the building industry—the main components of our national economy. And participation by the interior in Hong Kong's economy has also seen unprecedented development. At present, **the interior has surpassed both the United States and Japan to become the biggest foreign investor in Hong Kong, with \$7.8 billion in total investment, occupying an important position and playing a decisive role in Hong Kong's banking, trade, transport, building, property and realty, tourism and so on.**

3.2 Breakthroughs in economic and trade exchanges between the two shores.

From 1979, trade between the two shores, characterized by its "indirectness" and "non-governmental" nature, has achieved rapid progress. In 1988, trade between the two shores via Hong Kong amounted to \$2,780 million, rose to \$3,480 million in 1989 and rose further to \$4,040 million in 1990. In a decade's time (1979-89), two-shore trade increased annually by an average of 48.6 percent; out of which mainland's imports from Taiwan rose annually by 68 percent on average, and its exports to Taiwan, by 26.9 percent.

In the early 1980's there were already some Taiwan businessmen making small investments in the mainland. After the Taiwan authorities allowed people to visit their relatives on the mainland in 1987, particularly following the Chinese Government's announcement in 1988 of "Rules for Encouraging Taiwan Compatriots to Invest," Taiwan businessmen have invested in over 2,800 enterprises on the mainland, with \$3.6 billion of investment having been agreed on; and \$2 billion actually invested.

Recently, Taiwan businessmen's investment on the mainland has become an important factor in the development of cross-straits economic and trade relations. Cross-straits economic and trade relations have undergone notable changes and developments in structure, levels, width and depth. Taiwan businessmen are covering ever wider areas of the mainland in their pursuit of trade and investment, breaking out of coastal and SEZ areas and fanning out from east to west and south to north, and from the seaboard to the interior. They can be found in over 10 provinces and cities, their investment amounts continually rising, and the scale of their enterprises growing from isolated pockets to tract-wide development. Investment cycles are getting longer, and investment now includes fields such as industry, agriculture, fisheries, mining, energy, transport, ports, airports, post and telecommunications, machinery, electronic and electrical appliances and pharmacy. Labor service and commercial cooperation between the two shores has started.

3.3 Trade between Hong Kong and Macao region and Taiwan is continually expanding and mutual ties have further deepened.

According to statistics, between 1980 and 1990, gross import and export trade between Hong Kong and Taiwan rose from \$2 billion to \$13 billion. Hong Kong has become Taiwan's second largest export market. Since 1987, Taiwan capital flows into the Hong Kong and Macao region have increased notably. Hong Kong's free port status and its being the Far East's financial and trade center has been one of the important factors in Taiwan's economic development and export expansion. Over the last 10 years, investment from the Hong Kong and Macao region in Taiwan has similarly expanded. In recent years, Taiwan has been one of Hong Kong's main entrepot trade markets. The two have expanded their economic and trade relations in an "indirect" fashion and on a "non-government" level, and Hong Kong has played a necessary and crucial role as the chief link for communication and connections between the two shores.

Viewed overall, it is obvious that direct and indirect economic relations between mainland China, Hong Kong, Macao and Taiwan in the 1980's grew increasingly closer. The main characteristics of these relations can be summed up as follows:

- 1. Bilateral or multi-lateral exchanges and cooperation occurred in, or were constructed on, an integrated Chinese territory, which gave rise to a loose and non-uniform regional economic space [kong jian 4500 7035] system, the so-called "China's economic relations nexus."**
2. The economic relations nexus is situated in the Asia-Pacific region, the region with the world's fastest economic growth and the greatest vitality, but constrained by the pattern of the division of labor in the region's industries.
3. The four economies in this economic relations nexus are independent of each other, with relatively big differences in economic foundation, economic factors and economic scale, levels and goals of development and economic policies; each having shortcomings and advantages.
4. Growth and development of this economic relations nexus is activated to a very large extent by the export-oriented mechanism, and not principally by the great markets within the nexus.
5. The four economies have mutual exchanges and cooperation between themselves as well as their own economic ties and integration with other countries. Viewed overall, this economic relations nexus weighs more toward external reliance than close internal relationships.
6. Between the four economies, there are development imbalances between their economic relations and differences in content, forms and scale, which, when viewed spatially, is like a layout of long and short limbs.

From a political perspective, the characteristics of "China's economic relations nexus" are:

1. The four regions with economic ties with each other all belong to a country which politically is yet to be unified, share the same history, culture and national backgrounds but maintain different political, economic and social systems.

2. The development of this economic relations nexus is closely related to the process of China's peaceful unification, and bears a distinguishing mark because of the powerful influences exerted by political factors that inevitably find their way into the nexus.

What should be pointed out is, the formation and development of "China's economic relations nexus" as mentioned above is mostly a direct result of the political process of China's unification, though to a considerable extent it was also impelled by economic law. Nevertheless, the growth of this economic relations nexus within China's territory indicates that after a long and painful separation, the configuration of China's overall interest begins a new integration for the first time. The convergence and overlapping of economic and trade relations between mainland China, and the Hong Kong, Macao and Taiwan regions, have opened up new space for the joint survival and development of the Chinese people, and made it possible for China to participate for the first time as an integrated whole, in Asia-Pacific and global economic cooperation. (To be continued)

Purged RENMIN RIBAO Staff Resist Moves

HK1707141691 Hong Kong MING PAO in Chinese
16 Jul 91 p 8

[“Special dispatch” from Beijing: “Most Staff Members Purged from RENMIN RIBAO Refuse To Leave”]

[Text] News from Beijing: It has been two years since the 4 June incident, but the purge is still going on inside the CPC organ RENMIN RIBAO. Most of those who have been reassigned as a form of punishment early this spring have refused to leave, but Deputy Chief Editor Yu Huanchun [0151 3562 2504] has already left for Sichuan recently to take up his position as deputy director of the propaganda bureau of the provincial party committee there.

Yu Huanchun's reassignment represented a demotion from vice ministerial level to bureau level. He is being punished for his responsibility concerning the lay-out of RENMIN RIBAO before the 4 June incident of 1989.

Other staff members of the newspaper who are being assigned outside Beijing or to other units in Beijing all have sought ways to resist the move.

The newspaper's young female editor, Feng Yuan [7458 1254], is one of those affected this time. She is the wife of Wang Ruoshui, former chief editor of RENMIN RIBAO and noted intellectual. Earlier, the newspaper wanted to transfer her to another financial and economic publication in Beijing on the assertion that it was a normal assignment. However, Feng Yuan maintained that since it was a normal assignment, then she reserved the right to an opinion and duly rejected the move.

At the moment, Feng Yuan does not have to report to work, but it is expected that she will have to accept the reassignment eventually. A journalism graduate, she would like to work in the journalistic field. She used to write a special column on women's issues.

Rules on Print, Audio-Video Materials Tightened

HK1007075291 Beijing XINHUA Domestic Service
in Chinese 1108 GMT 9 Jul 91

[Report by correspondent Wang Xiaonan (3769 2556 2809): “General Administration of Customs Promulgates Regulations on Exit, Entry of Printed Matter, Audio-Video Products”—XINHUA headline]

[Text] Beijing, 9 July (XINHUA)—Dai Jie, director of the General Administration of Customs, recently signed Order No. 21 of the PRC General Administration of Customs, and announced that the “PRC Customs Regulations on Controls Over Printed Matter and Audio-Video Products Carried or Mailed by Individuals Into and Out of China” would be promulgated and put into force as of 10 July.

The regulations serve the purpose of better implementing the state's policy for opening up to the outside world; promoting international scientific, technological, and cultural exchanges; and strengthening socialist spiritual civilization at home. The new regulations were formulated on the basis of improving and updating the “Customs Regulations on Controls Over Printed Matter Carried or Mailed by Individuals Into and Out of China” promulgated on 15 June 1988 in accordance with the relevant provisions of the “Customs Law,” the “Secrets Protection Law,” and the “Cultural Relics Protection Law.”

Additions to the regulations are mainly in the following aspects:

First, the scope of controls has widened. Apart from printed matter, the regulations now are also relevant to the exit and entry of audio-video products, including all sorts of information storage devices.

Second, the number of items prohibited from being carried or mailed out of the mainland has increased. Ancient books and old books prohibited from being exported by the state's cultural relics protection regulations, printed matter related to state secrets or bearing such labels as “Internal Distribution” or “Domestic Distribution,” and other printed matter and audio-video products that are of value as cultural relics or are prohibited from export by the relevant state departments cannot be carried or mailed out of the mainland.

Third, provisions on the imposition of fines have been made more detailed. According to the regulations, aside from confiscating pornographic printed matter and audio-video products being carried or mailed into or out of China, Customs also will decide whether to exempt those involved from fines, or to impose fines on them (including the

amount of the fine), or to send them to the public security organs and the judicial organs for criminal charges.

In addition, the regulations also prohibit people from carrying or mailing into or out of China printed matter and audio-video products with reactionary, pornographic, feudal superstitious, homicidal, and other violent content or content jeopardizing our country politically, economically, culturally, or morally. The new regulations also include an additional stipulation on the quantitative limits on printed matter being carried or mailed out of China. The regulations explicitly require individuals to report to Customs all printed matter and audio-video products they carry across the border, and subject them to Customs examination. Things that do not violate the regulations and are within the reasonable quantity for self-use will be allowed to pass the border, but the extra things exceeding the limits will be sent back.

Improvement of Labor Force Quality Urged

*HK1707065791 Beijing JINGJI CANKAO BAO
in Chinese 24 Jun 91 p 4*

[Article by Yang Yiyong (2799 1355 0516) of the Human Resources Development and Utilization Research Institute under the State Planning Commission: "Labor Force Quality Needs To Be Improved"]

[Text] Our country's labor force quality has greatly improved since the founding of New China, but it still falls short of the demand of the four modernizations.

First, the fourth census in 1990 suggested that 180 million people were still illiterate or semiliterate. Compared with other countries, the cultural composition of the Chinese population is similar to those of other developing nations, which are still at a very low level. Let us view the education of laborers: Agricultural laborers only have six years of schooling, whereas staff members and workers at industrial enterprises and construction departments in cities and towns have 10 years of schooling. The state and society should devote more adequate funds to education so as to improve the cultural quality of the entire labor force.

Second, taken as a whole, China's production and technological levels are still low despite the fact that some skills have reached world standards. In particular, its development is imbalanced and remains in the stage of coexistence between traditional and modern production modes. Comparatively speaking, the technological level of enterprise laborers is low. Information provided by the State Statistical Bureau in 1989 suggested that workers at the first to third technological grades accounted for 71 percent of the total, those at the fourth to sixth technological grades accounted for 23 percent, and those at the seventh to eighth technological grades accounted for only 2 percent. Highly skilled workers are in great demand, as are highly skilled professionals and economic managerial cadres. A survey conducted in 1990 by the Scientific Research Institute of the State

Statistical Bureau on some 2,000 factory directors (managers) indicated that the quality of 54.2 percent of their enterprises' staff members and workers was low. Therefore, we should provide training for staff members and workers before and during their employment, set up a multistage training system, and improve our overall planning. In cities and towns, we should run more professional senior high schools and prolong the training period for secondary school graduates. Training should be provided prior to employment, and employment and post assignment should depend on qualifications. Efforts should be made to implement the "Workers Assessment Regulations," to improve the criteria for workers' technological grading, to broaden the scale of training, to improve training quality, and to improve workers' technological quality.

Third, in the rural areas, the peasants' per capita annual income is closely linked to their cultural and technological levels. A survey of 67,000 peasant households conducted by the State Statistical Bureau in 1989 showed that illiterate households made 443 yuan, households with primary schooling made 543 yuan, households with junior middle school education made 616 yuan, households with senior middle school education made 640 yuan, and households with secondary professional education made 741 yuan. Therefore, there is a need to implement and popularize the "Prairie Fire" Plan in the rural areas, to reform rural education, to develop rural professional schools, to improve the scientific and cultural quality of rural laborers, to promote rural economic construction, to bring about prosperity among the peasants, and to blaze a new trail in removing poverty and illiteracy through popularizing education.

Fourth, town and township enterprises have tremendous potential for absorbing rural laborers, but the quality of their own workers already has constituted an obstacle to their development. Therefore, it is necessary to improve the quality of their workers by setting up a training system for them and by increasing the percentage of intellectual investment. Regular and systematic cultural courses and technological training will bring about much improvement in their cultural and technological levels.

Fifth, owing to the fact that workers' quality is low, it is difficult to popularize advanced scientific and technological achievements. This has affected product and service quality, and economic results. Many advanced imported production lines in township industrial enterprises are not operating efficiently, and some equipment has long stood idle. This is because their workers' quality is not good enough to cope with advanced technology, and because their technological and managerial levels are too low. In rural areas, 70 percent of agricultural scientific achievements cannot be popularized because the peasants' cultural and technological levels are too low to cope with new knowledge and skills. This affects not only agricultural production, but peasants' income, as well.

Initial statistics show that workers increased by 189 million in 1990. Of this increase, workers with high technological ability (with university education) accounted for 3.5 percent, workers with medium-level technological ability (with secondary technical or professional school education) accounted for 14.5 percent, and workers with primary technological ability (workers who attended employment training courses for about six months after graduation from junior middle schools) accounted for 46 percent. The remaining 36 percent were below the primary technological level and required much improvement. The general composition is this: Low quality workers are in excess of demand, while high quality workers are in short supply.

Therefore, at present and for a fairly long period to come, low quality workers will remain an important factor restricting China's social and economic development. Leaders at all levels should make efforts to improve worker quality. This should be taken as an important component of economic work and as their responsibility, so that necessary conditions can be created for carrying out other work smoothly.

Science & Technology

Yang Shangkun Meets Remote-Sensing Scientists

OW10907173891 Beijing XINHUA Domestic Service
in Chinese 0919 GMT 9 Jul 91

[By Wang Dou (3769 4535) and Luo Yuwen (5012 3768 2429)]

[Text] Beijing, 9 Jul (XINHUA)—Yang Shangkun, president of state and first vice chairman of the Central Military Commission, had a cordial meeting here today with representatives of scientists and technicians from the Surveying Bureau of the General Staff Department; a certain base of the National Defense Science, Technology, and Industry Commission; and an institute of the Ministry of Aeronautics and Astronautics Industry, who had successfully fulfilled the task of survey and cartography using space remote-sensing [hang tian yao gan 5300 1131 6674 1949] technique.

Also present at the meeting were leading comrades of the Central Military Commission, including Liu Huqing, Yang Baibing, Chi Haotian, and Zhao Nanqi.

China's survey and cartographic soldiers and astronautical scientists and technicians are reinforcements ensuring the progress of the "four modernizations" program. Since the founding of New China, survey and cartographic soldiers have scaled mountains, crossed rivers, and endured all kinds of hardships while traveling to various parts of the country to conduct surveys and making maps. They have accurately surveyed and mapped the land of our motherland and provided precise survey and cartographic data for the development of China's high, sophisticated, and advanced technologies, including space technology. Over the past decade or so,

astronautical scientists and technicians who have made immortal contributions to China's national defense modernization and economic construction have gone all out to cooperate with survey and cartographic scientists and technicians in the military. In this way, they have solved key technical problems and successfully completed the task of surveying and mapping the various parts of the motherland by using the space remote-sensing technique. This achievement indicates that China's technology of space remote-sensing survey and cartography has entered the advanced rank in the world.

Today, leading comrades of the Central Military Commission also visited an exhibition featuring the achievements of the space remote-sensing survey and cartographic technology. After visiting the exhibition, Yang Shangkun said in delight: Survey and cartographic scientists and technicians have made significant contributions to our country's modernization. Their revolutionary spirit of selfless dedication and hard struggle is worthy of emulation by all people of the country. He expressed the hope that, in the days to come, these scientists and technicians would constantly improve their proficiency in the course of work, further raise the quality of their sophisticated survey and cartographic work, and make new contributions to the drive of rejuvenating China.

Song Renqiong Commends Award-Winning Inventors

OW1407103491 Beijing XINHUA Domestic Service
in Chinese 0652 GMT 12 Jul 91

[By RENMIN RIBAO Reporter Yuan Jianda (5913 1696 6671) and XINHUA reporter Hu Xiaomeng (5170 2556 1125)]

[Text] Beijing, 12 Jul (XINHUA)—The Central Committee of the Communist Youth League and the State Science and Technology Commission today held a ceremony to welcome back 10 young inventors who returned to China with honors after attending the Second World Youth Invention Exhibition.

Song Renqiong, vice chairman of the Central Advisory Commission, specially wrote a letter for the occasion to congratulate the award-winning young inventors. He wrote: I am very glad that you have won honors for the country. Science and technology [S&T] is the primary productive force, and young people are the future of S&T. It is my hope that you will treasure the honors; keep up your good work; continuously scale the high peak of S&T; contribute to the new S&T revolution; and dedicate the prime of your life, wisdom, and energy to the realization of the Ten-Year Program and the Eighth Five-Year Plan.

Chen Pixian and others attended today's welcoming ceremony.

A total of 2,300 inventions from 28 countries were exhibited at the Second World Youth Invention Exhibition, which was held in Bulgaria from 7 June to 7 July.

Ten young inventors from China won a total of 31 gold medals out of the 231 inventions on exhibit. The breathing exercise treatment instrument invented by Zhu Xiaoyi, a 35-year old director at the Yaan Breathing Exercise Research Institute in Sichuan, won the highest award of the exhibition—the General Secretary Prize of the World Intellectual Property Organization.

Scientific Achievements During 7th Five-Year Plan

*OW1707035891 Beijing XINHUA in English
0128 GMT 17 Jul 91*

[Text] Beijing, July 17 (XINHUA)—China made some 11,000 scientific and technological achievements during the Seventh Five-Year Plan period (1985-1990).

Moreover, more than 80 percent of these achievements have been used in the country's economic construction and boosted profits by more than 40 billion yuan.

According to today's "PEOPLE'S DAILY", some 6.6 billion yuan in research funds, including some 3.2 billion yuan allocated by the country for 76 programs, 349 projects and about 5,000 researchers, were spent by the government in the period.

And more than 130,000 scientists and technicians from some 15,000 research institutions, universities and enterprises took part in these projects.

On September 2 this year the State Planning Commission, State Science and Technology Commission and Ministry of Finance will jointly hold a meeting to give awards for 500 major scientific and technological achievements, and cite 200 scientists and technicians who made prominent contributions.

An exhibition of these achievements will be held from August 21 to September 1 in Beijing.

Research Organs To Help Scientific Decisionmaking

*OW2606182191 Beijing XINHUA in English
1418 GMT 26 Jun 91*

[Text] Beijing, June 26 (XINHUA)—China has set up more than 800 research organs at all levels of government to help make decision-making more democratic and scientific.

Statistics show that these research bodies employ more than 30,000 researchers and have completed studies on some 5,000 projects.

Among these research bodies, 200 belong to government departments under the State Council, China's highest governing body. These institutions employ nearly 20,000 researchers, about half of the country's mid-level and senior researchers in the field. They conduct studies on all major national policies, according to concerned officials.

The officials said that study on decision-making science has resulted in the rapid growth of consultancy services, which are now offered by some 100,000 professionals.

According to statistics, the emphasis on scientific decision-making has also placed nearly 1 million professionals in leading posts at various levels of the party and government.

Article on Historical Mission of S&T Workers

*HK1507061091 Beijing RENMIN RIBAO in Chinese
8 Jul 91 p 3*

[By Qian Xuesen: "Historical Mission of Chinese Scientific, Technological Workers: Work Report Delivered to Fourth National Congress of China Association for Science, Technology 23 May 1991 (Excerpts)"]

[Text] We have entered the last decade of this century. Having experienced several great development waves, science and technology [S&T] in the 20th Century will become more active and will enter an era of great advances in the 1990's. Significant breakthroughs and developments in a series of technologies, such as information technology, bioengineering, and new materials, will have a significant influence on the production and life patterns of all human society. Integration between S&T, and economic development will be stepped up to a great extent; the speed of transforming S&T into practical productive forces will be expedited; the integration, overlapping, and feedback between basic research, applied study, technological exploration, industrial production, and market sales will become more closely related; the globalization, pluralization, and trends toward super-giant scale [chao da gui mo hua 6389 1129 6016 2875 0553] in S&T and the economy will develop with each passing day; relations between cooperation and competition, and exchanges and restrictions on a global scale will be closely interwoven; and international economic competition in S&T and for skilled personnel will become increasingly intense. In the 1990's, we will also confront issues which have a significant bearing on the existence of man, such as population, resources, the environment, and ecology. Under such a grim situation, we should have a high sense of historical responsibility and an urgent sense of time, study and master trends in S&T development in the 1990's, and think more deeply with a broader vision, to press forward our S&T work.

To bring about greater S&T and economic development in China in the 1990's, the party and the state have adopted a series of major measures. The "Suggestion" and "Outline" on the 10-Year Program and the Eighth Five-Year Plan for national economic and social development, which were discussed and adopted respectively at the Seventh Plenary Session of the 13th CPC Central Committee and the Fourth Session of the Seventh National People's Congress, are a general blueprint and outline for national development at the end of this century and the beginning of the next, indicating that China's socialist modernization drive has entered a new development phase. In our efforts to carry out the 10-Year Program and the Eighth Five-Year Plan, S&T progress occupies an extremely important strategic position. This is a new and grander march toward the modernization of S&T in New China's development

history. Entrusted with a significant historical mission, China's S&T workers will accomplish historic new tasks in many fields of endeavor.

We should make earnest efforts to study, propagate, and implement the ideology that S&T constitutes a primary productive force, which was put forward by Comrade Deng Xiaoping after he summarized the important position and role of S&T in the development of productive forces in our times. This ideology is a significant development of Marxist theory on S&T and productive forces. We should use this ideology to enhance the entire nation's awareness of S&T, and enable people to profoundly understand that the structure of productive forces in a modern society is a huge system entirely infiltrated with S&T. A country's level of productive forces depends on its level of S&T, culture, and education; its level of S&T research and exploration; its level of S&T intensive production techniques; its level of scientific operation and management; and its level of scientifically organizing social coordination. S&T is the most active decisive factor in the productive forces of a society, the crux in forming the comprehensive national strength of a modern country, and a key issue in making a country powerful and prosperous. The socialist system has opened up a wide road for China's S&T development and, in turn, the flourishing development and extensive application of S&T have also laid a solid material and technological foundation for the consolidation and development of China's socialist system. S&T workers should stiffen their faith in socialism; persistently use the ideology that S&T constitutes the primary productive force to measure, guide, and push forward various work in the present modernization drive, and reform and opening up; and vigorously advocate the idea of rejuvenating China through the application of S&T. This is a glorious mission entrusted by history to the Chinese people, and especially to S&T workers.

We should give play to the guiding role of S&T and make vigorous efforts to bring about integration between S&T and the economy. It is a basic feature of our times to regard S&T as the guide, and to invigorate the economy through the application of S&T. Our historical mission is to enable economic construction to rely on S&T progress, and improve the quality of the work force for economic development.

—It is necessary to vigorously promote agriculture through the application of S&T. In order to enhance the S&T and cultural levels of peasants on a constant basis, we should place the work of providing peasants with technical training in an important position. Vigorous efforts should be made to popularize the use of advanced and practical agricultural S&T, and try to work out new labor- and technology-intensive means and methods for agricultural production. Efforts should be made to integrate the work of professionals with that of the masses in order to develop and perfect the system of socialized service in agriculture.

—It is necessary to vigorously promote industry through the application of S&T, enhance enterprises' awareness of S&T in their work, and firmly establish the ideology of rejuvenating enterprises and developing production through the application of S&T. Earnest efforts should be taken to apply modern S&T, especially electronics technology, in the development of traditional industries. Results should be achieved in stepping up the technological progress of enterprises; improving quality, renewal, and generational change in their products; and raising their management level and economic efficiency. It is necessary to give play to the technologically pioneering role of key scientific research institutions as well as large and medium enterprises, and step up vigorously the development of basic technology as well as the renewal of trades' basic equipment. Efforts should be taken to work out ways and means for the revitalization of large and medium enterprises, and encourage enterprises to set up an operational mechanism to continuously seek technological progress.

—It is necessary to vigorously develop high technology with emphasis, bring about industrialization, and expedite the process of infiltrating traditional industries. Such integration and infiltration are an important development trend of our times in high and new technologies. It is a strategic task to develop and industrialize high and new technologies, and this should be vigorously expedited under the state's unified plan and arrangements.

—Great importance should be attached to stable development in basic studies which have a bearing on the future of China's industrial as well as S&T development. Some basic studies have an immediate significance in today's world, while others, though constituting important parts of mankind's long-term efforts to explore the universe, have no clear prospects for application for which appropriate attention should be given to and reasonable arrangements should be made.

At present, one of the central links of reform and opening up is to correctly solve the problem of S&T being divorced from the economy; and to establish a new mechanism which will facilitate S&T progress, and the rejuvenation of the economy. China's S&T workers should concern themselves with, and take an active part in, reforming S&T and the economic system. They should also show concern over the economy and regard it as their historical mission to integrate S&T with the economy and expedite the process of transforming S&T from a productive force of knowledge into a material one. Economic workers should attach importance to S&T, vigorously support S&T development, and make earnest efforts to enhance economic efficiency and competitiveness by making use of S&T achievements. Increasing inputs into S&T is an important issue which has a bearing on S&T development. In order to ensure attainment of the goal to rejuvenate the economy on the basis of S&T progress, a mechanism should be set up where all of society can give support to S&T.

We should carry forward our fine tradition of self-reliance, hard struggle, and coordination, and better integrate self-reliance with opening up. In today's world where S&T has been globalized, it is necessary to uphold the principle of opening up, emulate the strong points of all the countries of the world, and vigorously expand exchanges and cooperation with foreign countries. Meanwhile, we should also carry forward the spirit of self-reliance, rely mainly on our own efforts while making external assistance secondary, rest China's S&T development on the basis of our own strength, and encourage China's S&T workers to display their wisdom, talent, and spirit of creativeness in the course of hard and arduous struggles. We should understand clearly that it is impossible to introduce and acquire the most advanced technologies through intense economic competition. Even if we do acquire advanced technologies, we are still faced with the problem of digestion, assimilation, innovation, and development. Self-reliance and opening up are not antagonistic but unified. We should integrate the two in a sound way, participate in world competition by relying on our own high-level research capacity and results, and step up our S&T exchanges and cooperation with the outside world. Currently, there exist in our S&T work, many phenomena which are unfavorable to S&T development, such as doing things in one's own way, blocking the flow of information, and repeated waste. In deepening reform of S&T and the economic system, it is necessary to improve the overall mechanism; carry out concerted coordination; use project system methods to solve increasingly complicated problems concerning the organization and management of S&T; and give full play to the potential role of S&T. The fundamental duty of S&T workers in their dedication to the motherland is to try their best to do their own job well. They should work more diligently and assiduously; display their spirit of creativeness and have the courage to scale new heights; be good at making use of potential advantages; and try every means to surpass targets which can be surpassed, and achieve the greatest S&T results at the lowest cost.

We should unswervingly implement the principle of "letting a hundred flowers blossom and a hundred schools of thought contend," and devote great efforts to make S&T prosper and advance. The implementation of the "double hundred" principle and adherence to the four cardinal principles are unified. Academic prosperity is the guide to prosperity in the S&T fields. In order to vigorously step up prosperity in academic thinking it is imperative to create a democratic and active environment. Politically, we should uphold the four cardinal principles, while academically, we should encourage creativeness and contention among different schools of thought. We should also encourage exchanges and debate among different academic schools, support young S&T workers, and attach importance to their academic views in the academic arena. It is necessary to be good at deriving rich nourishment from exchanges of different academic views to inspire our wisdom and bring about prosperity in academic fields. We should avoid and overcome some unhealthy phenomena, such as recognizing

academic ideas on the basis of seniority, and making use of social status and administrative power to interfere in academic work. Vigorous efforts should also be made to integrate natural with social sciences; encourage intersection and infiltration among different branches of learning; and attach importance to the development of new branches of learning, as well as research in humanities. Great efforts should be made to strengthen the popularization of S&T, integrating enhancement with popularization. Various S&T and academic groups as well as bodies of popular science are products of social civilization and progress; therefore, their activities should be held in esteem by society, and their work such as exchanges, popularization, and publication, should be supported by government and society. Every S&T worker should make due contributions to the enhancement and popularization of S&T.

We should attach great importance to the education and cultivation of qualified personnel. Today, the most intense competition in S&T fields, is competition for trained personnel, and cultivating trained personnel is one of the most important factors required in a country's modernization drive. It is a protracted historical mission for China's S&T workers to take an active part in, and vigorously step up the development of education, and try their best to raise the S&T and cultural quality of the populace. We should vigorously integrate S&T with education. China's S&T workers, especially those who are middle-aged and older, are faced with two basic tasks during the 1990's: One is to fulfill their own S&T tasks in a creative way; the other is to try their utmost to cultivate qualified personnel. Importance should also be attached to the cultivation and protection of academic and technological leaders. Young S&T workers today are the generation that will play a part in the next century. In the momentous times, when the new century replaces the old, we hope that the young S&T workers will justify the great trust placed in them by history and the nation, make assiduous studies, diligently seek knowledge, and contribute their wisdom and youth to bringing S&T advances to the Chinese nation. It is necessary to pay attention to optimizing the structure of qualified personnel, giving full play to everyone's talent and ability, and appropriately integrating the role of collective wisdom with the spirit of individual creativity. Attention should be paid to follow-up education and enhancing the professional standards of S&T workers of various kinds. China's modernization drive needs not only large numbers of S&T professionals and talents of various kinds, but also a considerable number of S&T leaders who are able to take the overall situation into account in solving problems; good at organizing and leading S&T work; and able to act as advisers to the party and the government. S&T workers of the older generation should pass on good traditions, experience, morals, and work styles to the next generation. It is also necessary to give full play to the role of retired S&T workers in our modernization drive. Efforts should be made to cultivate a reserve of talented personnel among teenagers. A mechanism and an environment should be created in the entire society which will facilitate the growth of young talent, thus

turning the 1990's into an era in which people of talent can come forth in large numbers like brilliant stars.

We should vigorously push forward the building of socialist spiritual civilization. S&T workers are not only builders of modern material civilization, but are also builders of spiritual civilization. Being integrated with socialism, modern S&T is creating a brand-new civilization for human society. We should urge S&T workers to study Marxism and Mao Zedong Thought, basic theories concerning the building of socialism with Chinese characteristics, and both dialectical and historical materialism; persistently apply theory to practice; and integrate realistic applications with developments. We should encourage S&T workers to strive for scientific thinking and methods; carry forward the scientific spirit of "dedication, creativeness, seeking truth from facts, and coordination;" and develop the professional ethics of "upholding truth, being honest laborers, appointing people on merit and cherishing talents, and closely cooperating with others." We should also urge S&T workers to combine themselves with the working masses of workers and peasants. It is necessary to strengthen the teaching and propaganda of a scientific world outlook; combine teaching of ideals and morality with the popularization of modern S&T knowledge; and use scientific ideas as well as modern S&T knowledge to broaden people's vision and eliminate their ignorant, superstitious, and backward concepts. We should integrate the building of spiritual civilization not only with the inspiration of our national spirit to ensure stable development of the country, but also with patriotic education, socialism, and collectivism. Scientific research associations and academies at all levels should turn themselves into schools that can ensure healthy growth in S&T workers, and carry out education in spiritual civilization throughout the entire society.

The 1990's are an extremely crucial period in China's modernization drive, and also an era in which the Chinese nation will be more unified and prosperous. We S&T workers throughout the country should unite as one; inspire by our vigor; persistently focus our efforts on economic construction; and strive for S&T progress, economic prosperity, social development, and national reunification.

First Pulsed Reactor Begins Operation in Sichuan

HK1007152691 Hong Kong ZHONGGUO TONGXUN SHE in English 1240 GMT 10 Jul 91

[“Starting Up of First Pulsed Reactor in Mainland Ends U.S. Monopoly of Reactor Technology”—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, July 10 (HKCNA)—The first pulsed reactor in the Mainland has gone into operation in Sichuan Province, according to the China Nuclear Power Research and Design Institute, making China the second country in the world with the design and building

technology to make such a reactor and ending the United States' monopoly of such technology.

After more than ten years' efforts, the institute was able to produce without outside assistance all the equipment and instruments to build a pulsed reactor. An appraisal of the equipment for environmental safety, its reliability and its operation showed good results and comparable efficiency with advanced international designs elsewhere. The reactor will serve to fill a gap in the field of nuclear technology in the Mainland.

The pulsed reactor uses special elements of nuclear fuel enabling the power produced to rapidly drop to a safely balanced state without the need of a protection system or adjustments being made by regulating staff even in the event of a sharp rise in the power being produced. The system is seen as an effective method of self-regulation.

The appraisal showed that the reactor has, under normal conditions, environmental radiation of only a few thousandths of units of the standard level permitted by the state. Such a reactor can be widely used by hospitals and higher earning institutes and can play an important role in the fields of industry, agriculture, scientific research, health, medicine and national defence.

Leading Nuclear Physicist Praised for Loyalty

HK0807032591 Beijing RENMIN RIBAO in Chinese
3 Jul 91 p 3

[Article by Bai Sheng (2672 3932) and Guo Hua (0948 5478); “His Bosom Is Still Filled With ‘Nuclear Fire’: Interview With Nuclear Physicist Qian Sanqiang on Eve of ‘1 July’”]

[Text] One day in mid-June, we went to the Zhongguancun Science Estate in Beijing's Haidian District and called on Professor Qian Sanqiang, a famous nuclear physicist. In the past few years, he had always refused to receive visitors because of poor health. We thought that, as we were familiar with him, we would not make an appointment beforehand and drove directly to his house.

Joining the CPC To Do a Better Job

On the eve of the party's 70th birthday, it seemed that Professor Qian had already guessed our purpose. After exchanging greetings, he began to recall with deep feelings the course of his deciding to join the CPC. He said: I was not prompted by a sudden impulse when applying for party membership. In fact, it took time for me to make up my mind. As early as my working with the Radium Research Center's Curie Laboratory, run by Joliot-Curies in France, and later engaging in nuclear physical and radioactive chemical research with the French Nuclear Chemical Laboratory, I was helped and cared for by the CPC organization. I loved my motherland, but the motherland was then being ruined by the Kuomintang's rule. At that time, I saw the hopes of the motherland in the CPC members in France. While working abroad, I did not explicitly express my desire to

join the party, but I had that desire in my mind already. In late 1948, I returned to China. As a young scientist, I was contacted by some democratic parties. They warmly invited me to join their organizations, but I politely refused. In 1953, after passing tests on the Korean battlefields, my political consciousness was raised, and I filed an application to join the CPC after returning from Korea. On 27 January 1954, I was admitted into the party. Now, I still clearly remember the scene when I was admitted into the party. One of my introducers to the party was Comrade Zhang Jiafu, who died last month. He was a former president of the Chinese Academy of Sciences and also a former secretary of the academy's party leading group. He encouraged me to struggle for the communist cause throughout my life, and his words still resound in my ears. After acquiring a deeper understanding of some of his words through practical work, I felt suddenly able to see everything in a clear light.

People often say that scientists traverse a logical and dialectic line in understanding the nature of things and the process of development. Professor Qian cherished profound feelings toward the party and acquired a deep understanding of the party's cause, and thus also acquired a thorough understanding of the universal truth. He sets a good example for all people, especially for scientific workers with party membership.

The Past Experience Shows That the Party's Leadership Is the Guarantee for China's Great Scientific Undertakings

This year, 1 July was the 70th anniversary of the CPC's founding. Professor Qian has been with the party 37 years. He can be regarded as a veteran party member. What did he do during the past eventful decades?

Professor Qian said that with the party's guidance and care, he mainly played the role of a scientist and engaged in research in nuclear physics and the philosophy of science.

Professor Qian said: The party attaches great importance to science and scientists. No sooner had I returned to China than the party and the government assigned me to attend the "World Peace Congress" in Prague. In 1952, the party and government assigned Comrade Zhang Jiafu and me to jointly lead the Chinese scientist delegation to visit the Soviet Union. In January 1955, I attended an enlarged meeting of the CPC Central Secretariat held by Chairman Mao. The meeting decided to develop China's nuclear energy undertakings. Then, my work was concentrated on nuclear science and technology. I also had the honor of attending the 1956 party Central Committee conference on the issue of intellectuals and participating in the formulation of the 12-year scientific and technological development program from 1956 to 1967. The conference and the program represented the party's two major steps for "making advances in the field of science." After that, Chairman Mao issued the call to "develop our own atom bombs." Under the care of Premier Zhou, Marshal Nie, Comrade Song Renqiong, and other old comrades, we Chinese scientists

and technicians began the great project of developing and producing our own atom bombs. In scientific terminology, that was a macroscientific undertaking of the New China. By the end of 1962, we had basically built up the theory and mastered the technology for producing atom bombs. More than 10,000 technical and scientific personnel and workers made joint efforts and successfully tested the explosion of our country's first atom bomb on 16 October 1964. The success greatly inspired the entire people throughout the country and shocked the whole world.

Then, Professor Qian raised his tone and stressed: "The successful test explosion of the atom bomb and the later successful test explosion of hydrogen bombs and the successful launching of man-made satellites were often proudly mentioned by the Chinese people and were referred to as 'two bombs and one satellite.' I think that the achievements should first be credited to the party's correct leadership over our scientific undertakings. Without the CPC, there would not have been today's scientific achievements in China. This is a truth being proven by practice over half a century."

Following the Party and Shouldering the Historical Mission of National Regeneration Through Developing Science and Technology

We were afraid that Professor Qian would be tired after talking so much, and we indicated that it was time to leave. But he switched the conversation to another subject and talked about the Chinese Association of Science and Technology's Fourth National Congress and the future prospects of our country's scientific undertakings.

Professor Qian said: The association's fourth congress was held at the right time, and was very successful. General Secretary Jiang Zemin's address to the congress was very important. In particular, he gave a profound and cogent interpretation of Comrade Deng Xiaoping's proposition that "science and technology constitute the primary factor in productive forces." General Secretary Jiang also said that "in the final analysis, international competition is a contest of comprehensive national strength, and the key link is the contest of science and technology." I think that he not only made a penetrating Marxist theoretical analysis, but more importantly required us scientific and technical workers to "be fully aware of our historical mission." Professor Qian then smiled and said: People in my generation are all over 70 years old. The fulfillment of the Eighth Five-Year Plan and the 10-Year Program set forth by the party central leadership will mainly depend on the younger generation growing up in New China and being trained in the motherland (including young and middle-aged scientists and technicians). Seeking national regeneration through developing science and technology is our party's traditional work method. As early as the 1950's, at the Chinese Academy of Sciences' founding ceremony, the party leadership set forth the principle of making efforts to promote basic research and to strengthen applied research projects related to the national economy's key

links. In my opinion, under the current conditions of reform and opening up, we should be good at using foreign research achievements and tracing the development of the most advanced front of science and technology in the world, and should also be good at doing research work and making creations on the basis of self-reliance. If the two sides can be properly combined, with the support of necessary material conditions, Chinese scientists and technicians will certainly score greater successes.

Finally, Professor Qian said with stress and in earnest: The period from the last years of this century to early in the next century will be one of an unprecedentedly active development of cross-sciences [jiao cha ke xue 0074 0643 4430 1331]. When promoting the development of the traditional branches of science, we must never neglect or look down on the new branches of cross-sciences which are rapidly growing. This year's first issue of CROSS-SCIENCE GUIDE, a famous British scientific journal, carried an article by Professor Shikeri Nakayama, a Japanese scholar. He predicted that the next center of science in the world will be shifted to Japan and then to China, as the world's science center has shifted in the past 100-200 years from Britain, to France, to Germany, and is now in the United States. Professor Qian then said seriously: Under the CPC's leadership, New China's scientific and technological undertakings have made brilliant achievements that rivet world attention. We believe that in the next 50 years, China's science and technology will certainly move to the world's advanced level. In contemporary terms, the realization of the four modernizations is, in fact, underlaid by the modernization of science and technology. Therefore, the contemporary Chinese are shouldering a historical mission straddling two centuries.

After we finished the interview, we both thought of an ancient saying: The lofty aspirations of a person of great attainments will never fade in his late years. What Professor Qian said precisely reflected his "never faded" enthusiasm for the party's cause. He is a famous Chinese nuclear scientist and technological organizer in the contemporary world. Under the CPC's leadership, he has effectively organized and guided the contingent of scientific and technical personnel, and aroused their work enthusiasm and initiative. On 14 June, RENMIN RIBAO published a report entitled "Desires of an Old Communist Party Member," which mentioned that Marshal Nie Rongzhen summarized the experience of our scientific work into "relying on our own strength and efforts, working hard, holding a scientific and realistic attitude, cooperating closely and effectively, and making selfless contributions." This indicates that the enthusiasm of the older generation of scientists like Professor Qian will be certainly carried forward, and new experience will continuously be created. The Chinese people will make greater contributions to all mankind.

China Uses Nuclear Technology in Cable Production

OW0907181091 Beijing XINHUA in English
1342 GMT 9 Jul 91

[Text] Jinan, July 9 (XINHUA)—China's first production line using nuclear technology to manufacture electric cables went into production today in Yantai, a coastal city in Shandong Province.

The technique improves the cables' resistance to high pressure, high temperature and erosion.

Previously, China had to import high-quality electric cables for use in mines, oilfields and nuclear power stations.

In recent years the country has constructed an electron-positron collider, heavy-ion accelerator and synchrotron-radiation accelerator. Now, about 1,000 Chinese scientists are engaged in research into and the manufacturing of accelerators. The production line is a joint venture between the Chinese Academy of Sciences, Yantai Cable Factory and Hong Kong Qi Rong Trading Corp. in particular, its products are expected to be widely used in China's 22 airports.

Article on Kashi Space Survey Station in Northwest

HK2606091191 Beijing RENMIN RIBAO in Chinese
17 Jun 91 p 3

[Article by Liu Cheng (0491 4453) and Li Xiuqing (2621 4423 3237): "Constellation Shining Over Northwestern Border: Notes on Kashi Station at Western End of China's Space Survey Network"]

[Text] The Kashi Survey and Control Station is the fixed survey and control station at the western end of our country's space survey and control network. Its main task was to survey and control low-altitude satellites and to trace and survey intermediate- and long-range missiles. After our country's low- and medium-altitude satellites were launched southeastward into space, the Kashi Station was the first to observe and effectively control the satellites after they revolved around the earth and entered space above our country from the northwest. Therefore, it was often called "China's first station."

The special mission determined that Kashi Station's personnel must successfully fulfill every test task and must work and be dedicated under difficult conditions over many years.

In early April 1967, Bian Ruixiu, the first director of the station, and Commissar Song Yao led more than 30 officers and soldiers to traverse the rough roads across the Gobi Desert seven days and nights, and they came to the northwest fringe of the Taklimagan Desert. The pioneers then began their struggle between life and nature. They lived in some semi-underground sheds, and started building our country's first satellite ground station while building their own homes.

Li Rongfa, a university graduate, joined the station; and several months later, he wrote a letter to his wife who majored in computer science and asked her to join the station, too. When the station was under construction, his wife was pregnant and was close to the expected date of childbirth. But Li was immersed in his work and even slept inside the engine room, and his wife also continued to work with other people.

Once, the leaders had a film shown in the station in order relax the hardworking personnel; but the young people, who liked seeing movies very much, quietly moved back to the engine room to continue their work one after another.

In a period of less than two years, the officers and men at Kashi Station successfully fulfilled the task of installing and testing several sets of equipment, and also laid a digital communication line with the survey and control center several thousand kilometers away.

On 24 April 1970, our country's first manmade satellite was successfully launched into space. Kashi Station also rapidly caught the target and began tracing and surveying the satellite. The survey and control center made use of the data provided by the station and immediately calculated the accurate orbit of the satellite. This also enabled the center to forecast the time the satellite would pass above 244 cities around the world.

When the melody of "The East Is Red" could be heard in all parts of the world, the officers and men at Kashi Station closely embraced each other with tears in their eyes.

Twenty years have passed since then. Group after group of pioneers continued to climb up with their strong willpower along the road leading to the sky, and rendered outstanding services for the cause of astronautics in our country.

On 9 September 1987, after our country's first retrievable satellite was launched to the orbit, a major survey and control station in South China failed to input commands for a technical breakdown, and the operation of the satellite was not in perfect condition. If the state continued, the satellite retrieval might be seriously affected. The satellite would only fly eight days in the space and only pass over the Kashi Station for a total of 10 minutes. All officers and men in the Kashi Station were keyed up as they were required to take over the duty. They kept working in the equipment rooms and the commanding room. The input of the first set of commands did not achieve expected results. As Kashi Station never took action unprepared, they had worked out 13 emergency options. In an instant, the second set of data was issued to the satellite, and the satellite made positive reactions. The input was successful!

After that, our country again successfully launched two similar satellites, and they also smoothly returned to the ground with the participation of Kashi Station. Thus far, only the United States, the Soviet Union, and our country have mastered satellite retrieving technology; and the rate of successes in our country was 100 percent.

The officers and men at Kashi Station have been using painstaking effort and wisdom to protect the western gate of our country's space survey and control. Once, shortly after a satellite was launched into orbit, an instrument in the satellite broke down. At that moment, there was only a little over one hour before the satellite reached space above our country, but it would only pass over the western side of China. There would be only 14 minutes for effective observation. However, all the officers and men at Kashi Station were calm and unperturbable. They rapidly caught the target and applied three sets of emergency options to conduct 23 rounds of "dialogue" with the satellite. They finally succeeded in restoring the normal operation of the satellite. The Ministry of Aeronautics and Astronautics Industry sent a congratulatory telegram to them and praised their "miracle-making" exploits.

Zhao Qi, the general engineer of the station, first came to the station riding a donkey, and he has lived there for 22 years. The wrinkles on his face were engraved by the winds and sandstorms in the Gobi Desert. He wrote a poem in his diary: "I do not want to be a flower in the pot; I only want to be a wild steed, galloping freely and singing proudly."

The officers and men at Kashi Station are shining quietly, like a constellation on the northwest border of the motherland.

Guangzhou Regional Meteorological Center Set Up

*OW0707153291 Beijing XINHUA in English
1410 GMT 7 Jul 91*

[Text] Guangzhou, July 7 (XINHUA)—The Guangzhou Regional Meteorological Center began operation today.

The center mainly serves south China. It is China's third regional meteorological center after Shanghai and Wuhan.

The establishment of the center represents a new progress in China's efforts to modernize meteorological service, said Zou Jingmeng, president of the world's meteorological organization and director of the National Meteorological Bureau.

The Guangzhou Regional Meteorological Center was set up according to an outline program for the development of China's meteorological services. It was jointly financed by the National Meteorological Bureau and Guangdong Province.

The center has now opened two high-speed communication circuits to link Guangzhou with Beijing and Hong Kong and 18 low-speed circuits to link Guangzhou with Hankou, Shanghai and other cities.

It can collect, edit and transmit meteorological information in south-Asia subcontinent, Southeast Asia, the Pacific, the South China Sea as well as in Guangdong, Guangxi and Hainan.

The center will also relay and exchange global and national meteorological information and indicative products for weather forecast.

Economic & Agricultural

Paper Carries Series on Enlivening Enterprises

Part I

HK1107145991 Beijing JINGJI RIBAO in Chinese
6 Jun 91 p 1

[Report: "Let Policies Be Carried Out to the Letter: Part One of a Series of Discussions on Boosting Vitality of Large, Medium-Sized Enterprises"—first paragraph is JINGJI RIBAO editor's note]

[Text] What should be done to invigorate large and medium enterprises? Recently, a JINGJI RIBAO commentator (hereinafter referred to as "A") and some comrades in such relevant departments as the State Commission for Economic Restructuring, the Production Commission, and the Ministry of Labor and some famous entrepreneurs and economists (hereinafter referred to as "B") discussed a wide range of questions. Their discussions analyzed various factors affecting the dynamism and vigor of the enterprises and various measures for boosting their dynamism and vigor. Their discussions will be published by JINGJI RIBAO in installments.

A: The need to invigorate large and medium enterprises was mentioned in the early stage of reform but, thus far, enterprises which are comparatively more dynamic and have been developing more vigorously are township and town enterprises and foreign-funded and foreign-owned enterprises. These two categories of enterprise have steadily increased their proportion and influence in the national economy in the last few years. On the other hand, most of the large and medium state-owned enterprises, which should have been the first to grow vigorously, have recorded declining profits year after year, although their output value has been increasing continuously. A considerable number of such enterprises are now even facing a rather serious situation which has made it hard for them to continue their operation. It is learned that at present, many large and medium enterprises are seeking foreign investment or trying to turn themselves into joint ventures. This situation should be taken into account.

B: As compared with large and medium state-owned enterprises, foreign-funded and foreign-owned enterprises enjoy more advantages brought about by the favorable policies. With other additional conditions, it is easier for them to operate more flexibly and vigorously. Some large and medium enterprises hope to attract foreign investors' involvement, because they can thus benefit from the preferential treatment for foreign investment projects. During the past 10 years or so, the dynamism and development of

the rural economy was first dependent on the policies. Thus, the invigoration of large and medium enterprises must also rely on correct policies.

A: In fact, there is no lack of policies for invigorating large and medium enterprises. The Third Plenary Session of the 11th CPC Central Committee pointed out in its resolution that "a serious shortcoming of the economic management system in our country is the excessive concentration of power, so it is necessary to give more decisionmaking powers to enterprises in their management." After that, the party central leadership, the State Council, and various localities and departments formulated and put forward a series of relevant policies and measures, almost every year. For example, in 1984, the State Council promulgated the "Interim Rules on Further Expanding the Self-Management Power of State-Owned Industrial Enterprises;" in 1985, the State Council approved and issued the "Interim Arrangements for Settling Several Issues Concerning the Invigoration of State-Owned Large and Medium Industrial Enterprises;" and in 1988, the National People's Congress officially passed and enacted the "PRC Industrial Enterprises Law," which summarizes the relevant policies and regulations adopted in previous years for invigorating enterprises into 13 rights and nine obligations. Last month, the State Council again issued a circular, further explicitly listing 11 policy measures for enhancing the business dynamism of large and medium enterprises.

B: The problem lies in the fact that many policies for invigorating large and medium enterprises have not been actually implemented in the enterprises. This is reflected in the following facts: Some good policies are still being "shelved" due to various obstructions. The most prominent instance was that although the state laid down explicit rules and regulations on giving certain decisionmaking powers to enterprises, such powers were withheld in varying degrees by the local government departments concerned. According to our survey, only one or two of the 13 policy measures laid down by the state in 1985 for expanding the enterprises' self-management powers were actually put into practice. That is, enterprises were allowed to arrange production on their own in light of market demand after fulfilling the production plans laid down by the state authorities. Other enterprise self-management policy measures were not really put into practice to various degrees. In another instance, according to the "Enterprise Law," enterprises should have the power to decide their own organizational structure and their personnel appointments, no government department having the power to require the enterprises to set up and make personnel appointments corresponding to the various administrative departments in the government. In reality, however, enterprises still have to follow the government's compulsory instructions on institutional setups and personnel appointments and even have to follow the government's decisions on the rank of cadres appointed to various administrative departments in the enterprises. At present, the management body of most enterprises includes public health, environmental protection, security, and family planning departments.

A: We were told by a pharmaceutical factory in North China that the authorities recently required the factory to set up a united front work department. Many factory directors said that the enterprises were indeed facing many difficulties but the biggest headache was that they had to face too many instruction-giving departments in the upper authorities and their self-management was thus seriously disrupted. Various administrative departments and institutions, and even neighborhood committees, can issue orders and give instructions to the enterprises. The consequences will be inconceivable if such situation remains unchanged for a long time.

B: In addition, the local authorities may add "details" to some policies formulated by the central authorities and the State Council from time to time. This often results in distorting the spirit of these policies. For example, in order to increase the enterprises' self-accumulating capacity and to enable them to effect self-development, the state adopted a policy of leaving more profits in the hands of the enterprises, a few years ago. As a result, the enterprises could use the additional funds in their hands to conduct technological transformation and expand their production capacity, and this indeed markedly increased their dynamism. However, as various levies and charges kept increasing during the past years, the proportion of profits actually left in the hands of the enterprises was getting smaller and smaller. In 1990, the amount of profits retained by the state-owned industrial enterprises within the state budget declined by 40.9 percent from the previous year; the profits retained by the enterprises accounted for only 8.9 percent of the total before-tax profits they made and the proportion fell back to the level before 1982. The low profit-retaining level of the enterprises has not only seriously dampened their enthusiasm for promoting production and improving management, but has also made it impossible for them to update their technology and made it more difficult for them to effect self-development.

A: Thus, it seems that one of the key points for invigorating large and medium enterprises is to ensure the actual implementation of the established policies. At present, maybe, the authorities concerned should give consideration to the following two points: First, the departments concerned should be enjoined to conscientiously organize implementation of the 11 policy measures recently laid down by the State Council for invigorating large and medium state-owned enterprises, thus lessening the burdens on the enterprises and enabling them to build up their strength. Second, a comprehensive investigation should be organized to find out how the policies of the central leadership and the State Council for enlivening large and medium enterprises have been implemented. Measures should then be taken to ensure implementation of the policies which have not yet been effectively put into practice. In particular, it is necessary to seriously examine whether the enterprises are indeed exercising the self-management powers specified by the state policies; resolutely check the imposition of various unauthorized levies and charges on the enterprises; and stop the unnecessary activities of comparison

and appraisal among the enterprises. The economic burdens on the enterprises and the mental burdens on the enterprise managers should be effectively lessened.

B: It is learned that the Anhui Provincial Government recently laid down some rules on enforcing the "Enterprise Law." According to the rules, enterprises will not be required to set up departments corresponding to those in the government and will not be required to follow the instructions of the government departments. So, enterprises can decide their production and business operation on their own in light of actual demand. Such rules are very popular with the enterprises. Since there have been the central policies for invigorating enterprises, it is necessary to take actual steps to implement them to the letter in practice. This is a major task we should now effectively fulfill.

Part II

*HK1107150291 Beijing JINGJI RIBAO in Chinese
8 Jun 91 p 1*

[Report: "Much Still Needed To Improve Contract System: Part Two of a Series of Discussions on Boosting Vitality of Large, Medium-Sized Enterprises"]

[Text] A: Regarding invigoration of large and medium-sized enterprises, it is generally acknowledged that measures should be adopted from both outside and inside enterprises. The state has adopted a number of measures recently to improve the external environment of enterprises. However, there are still different understanding and methods on deepening enterprise reform, particularly improving the contract system. I do not know whether you have such a feeling: There is still a lot to be done in improving the contract system.

B: It is very important that this question is raised. It is necessary to uphold and perfect the enterprise contract responsibility system during the Eighth Five-Year Plan. This is an important policy of the CPC Central Committee for invigorating enterprises. Viewed from the actual situation of the implementation of the contract system in these years, some enterprises have been invigorated while the majority are not yet invigorated. Conditioned by various factors, it has been difficult to give full play to the role of the contract system. In addition, there is a problem of external environment of enterprises. However, we should take note of one important point: As the specific measures adopted by various localities in implementing the contract system vary, the results are also different. It is necessary to earnestly summarize this.

A: While implementing the contract system, some enterprises fixed the base figure but others did not; the term is long for some contracts but short in others. Without comparison, it would be difficult to tell which one is better.

Production, operation, and technological equipment of the Shoudu Iron and Steel Complex were by no means superior to those of the Anshan Iron and Steel Complex

a decade ago. However, two results were turned out as they implemented different contract methods. The profits of the Shoudu Iron and Steel Complex were 440 million yuan in 1980, the figure of the Anshan Iron and Steel Complex totaled 1.25 billion yuan. In 1990, the former turned out profits of 2.126 billion yuan while the latter, 761 million yuan. In 1980, the Shoudu Iron and Steel Complex turned over 470 million yuan of profits to the state while the amount of the Anshan Iron and Steel Complex was 1.393 billion yuan. In 1990 however, the former turned over 1.497 billion yuan of profits to the state while 1.35 billion yuan of profits of the latter was outstanding. In 1980, rolled steel output of the former was 1.52 million tons and of the latter, 11.179 million tons. In 1990 however, output of the former totaled 3.8 million tons, an increase of 150 percent, while that of the latter amounted to 13.325 million tons, up 20 percent. The former retain profits of 54.67 million yuan while the latter, 61 million yuan in 1980. In 1990 however, the profits of the former were 1.154 billion yuan, but the latter, 152 million yuan.

The main characteristics of the Shoudu Iron and Steel Complex were: The complex contracted the progressive increase in profits, fixed the base figure, retained the excess, and extended the term of contract to 15 years. The Anshan Iron and Steel Complex contracted the progressive increase in profits but did not fix the contract base figure. The taxation and other charges introduced in recent years aggravated the burden of the enterprise, resulting in a sharp drop in profit retention, heavy debt, and a lack of staying power of the Anshan Iron and Steel Complex. After a summary of work, the comrades of the Shoudu Iron and Steel Complex recognized that the base figure must be fixed in implementing the contract system, otherwise, it would mean nothing. This sounds reasonable.

B: Judged from a comparison, there are three problems pending further studies: First, whether the base figure should be fixed. Some people talk about releasing water to breed fish. If the base figure is not fixed, the water released here may flow away in other places, making it difficult to breed large fish. To store water to breed fish, fixing the base figure is probably the best method.

Second, the term of the contract. If the term of the contract is too short, it may easily lead to short-term behavior. The production and technical transformation cycle of many large enterprises is relatively long and some of their work cannot be done without a considerable period of time. They even need seven to eight years to repay their loans. The term of contracts of the large enterprises should not necessarily follow the 15 years of the Shoudu Iron and Steel Complex. But a long term, which is necessary, should be linked to the cycle of technical transformation.

Third, the contract enterprises should carry out plural and transnational operation. In the world today, almost all the large enterprises are doing plural and transnational businesses. "When the east is dark, the west is

bright," they try to ensure enterprise income through various channels. The New Japan Steel Complex is engaged in iron and steel, chemical industry, building trade, and catering businesses. Its efficiency and risks are also pluralistic. Plural and transnational operation of enterprise production has become a trend of world economic development. Naturally, such plural and transnational operation should be guided by the state's industrial policies and be carried out under the state's macrocontrol and regulation.

A: Fixing the base figure and the term of contracts are important issues to be considered in improving the contract system. It has been reported that Shanxi recently promulgated the "Measures for Invigorating Large and Medium-Sized Enterprises," which proposed that enterprises may fix the base figure of profit delivery and retain the excess. Regarding enterprises whose technical transformation tasks are arduous and the cycle is relatively long, the term of their contracts may be identical with the term of the project. This can be regarded as a big move in the improvement of the contract system. It has also been reported that Guangdong and Beijing municipality have plans to follow the method of fixing the contract base figures. It seems that the work of improving the contract system contains rich content.

B: The key to improving the contract system is the starting point. It will be thinking at a low level to merely consider overcoming the current short-term behavior. Viewed from a higher plane, it is necessary to focus attention on transformation of mechanism. We can say that the method of fixing the base figure can help enterprises establish a stimulating mechanism, that is, the more profits enterprises make, the more they can retain, and the more workers can gain. Meanwhile, the more enterprises turn out and retain, the more funds they will have for technical transformation, for turning out more material wealth, for enterprise production and operation to enter into a benign cycle, and for establishing a mechanism of self-accumulation and self-development. We should make efforts in this direction and boldly practice and make explorations. However, this does not mean rushing headlong into mass action or developing a certain pattern. We should proceed from practice and conduct research in a down-to-earth manner.

Part III

HK1107150591 Beijing JINGJI RIBAO in Chinese
12 Jun 91 p 1

[Report: "Promote Enterprise Labor System Reform: Part Three of a Series of Discussions on Boosting Vitality of Large, Medium-Sized Enterprises"]

[Text] A: The invigoration of large and medium state-run enterprises will require the proper implementation of policies while the creation of the necessary conditions from the outside will require the deepening of various reforms within the enterprises, foremost of which is labor system reform. "Sturdy poles are needed to shore up heavy loads." The vitality of enterprises will eventually be determined by their own mechanisms. The State Council recently issued 11

measures. If these "hardware measures" are to produce the best results, they will need the response and support from the "software," that is, labor system reform in enterprises.

B: Indeed. In invigorating an enterprise, labor system reform does not constitute the "auxiliary force" but, rather, it is the "main offensive force." The central authorities' decisions on economic restructuring clearly stated that transformation of the operational mechanism of an enterprise means the establishment of correct relationships between the state and the enterprise and between the enterprise and the employees in accordance with the demands of a planned commodity economy with the objective of mobilizing the initiatives of both the enterprise and the employees. The latter relationship is directly and extensively manifested in the labor system reform, including wage system and social security system reforms. The source of an enterprise's vitality is found in the initiative and creativity of the worker. Therefore, in the process of invigorating an enterprise, the worker, the liveliest factor among the forces of production, should not be ignored or the labor system reform will be impaired.

A: It should be said that great accomplishments have been made in labor system reform in recent years. The first round of the urban economic structural reform began with the removal of the defects in the "iron rice bowl" and the "one big pot" and extended to the employment and wage system reforms. However, it has been noted that society had mixed feelings about the "iron rice bowl" and the "one big pot". It was felt that the defects are serious and should be removed and, on the other hand, there is some reluctance and unwillingness to be involved personally. Add to this the pursuit of the principle of social justice and a very complicated picture emerges. For instance, 13.1 percent of the employees in state-run units around the country are under the labor contract system reform but the expected result was not entirely achieved. One reason is that the coexistence of the old and the new employment system reforms gave rise to new conflicts; and the second reason is that in view of the coexistence of egalitarianism and the wide gap in social income, further efforts within the enterprise to narrow the gap with the help of wages and cash awards have seriously undermined the initiative of the workers. Therefore, some people have described the efforts as a return to the "iron rice bowl" and "one big pot." Naturally, discussion of the defects of the "iron rice bowl" and the "one big pot" in terms of social concept will not solve all questions of understanding. After all, concept is but a secondary, while social concept is often complicated by historical conditions and different groups of people. If we shift the angle of our view for a while and look at the objective social demands in economic life and in the development of social forces of production then understanding will become more unified.

B: When we emphasize labor system reform in enterprises today, it is not the simple repetition of an old issue, and therefore, it is also not the simple solution of the question of a return to the "one big pot." Like the few coexistences which have been mentioned, the new special features of the conflicts have determined the new features in labor system reform, that is, the realization of

a deepening and a new breakthrough in the internal reform of an enterprise. Only through a deepening and a breakthrough will new vitality be injected into further efforts to invigorate the enterprise.

A: That makes sense. Please comment further by touching on the experimental reforms carried out in some areas.

B: The labor system reform in enterprises is designed to forge a new type of labor relationship between the enterprise and the employees, that is, "macro economic regulation by the state, independent decisionmaking power over employment by the enterprise, coexistence of different forms, and labor contracts for all personnel." The core features are as follows: The enterprise enjoys independent decisionmaking power over employment while the worker will have the freedom to choose his employment. The rights and obligations of both parties are clearly stated in a labor contract so that the rights of both enterprise and workers will be protected and the best allocation of workers and of the means of production will be realized. Human and material resources will then be integrated effectively to establish an indispensable prerequisite for raising the labor productivity rate. The integration of planned economy and market regulation will address the question of a better allocation of resources, while the introduction of labor contract system reform will mainly resolve the question of the best allocation of workers and the means of production. Therefore, the resolution of the conflicts caused by the coexistence of old and new employment system reforms is not a return to the old ways but represents a gradual transition to a "labor contract system reform for all personnel." That is, equality for all, whether cadre or worker, before a labor contract, on the basis of the system reform of fixed quota, improved labor composition, and labor contract as implemented in the past. The establishment of the preliminary framework for such a new type of labor system reform will probably take five to 10 years or even longer. At the same time, it is necessary to establish a labor incentive system reform to strengthen the enterprise from within and to mobilize the initiative of the workers by genuinely following the socialist principle of distribution according to labor so that the scientific and rational labor relationship established by the labor contract system reform will be stabilized and developed and will produce the best results. The eight-grade wage system reform employed by enterprises for more than 30 years can no longer perform its function as an incentive effectively. On this, the central authorities have already clearly stated that a distribution system reform whose primary form is a wage system reform based on position and skills should be carried out within an enterprise. An assessment of a worker's work position, skills, strengths, and qualifications in order to determine different wage scales and rationalize the wage gap will become an important reform measure. The implementation of this reform will have an extremely important impact on the promotion and consolidation of the labor contract system reform.

A: Such a system reform has been noted and written about. Last year, some 60 designated tire manufacturing plants around the country saw their average profit cut by 65 percent, while nearly half of them incurred losses. Meanwhile, the Taiyuan Rubber Plant which carried out a "wage system reform based on work posts" on an experimental basis became the only exception as it registered a 12 percent increase in its realized profits and taxes over those of the previous year. It was listed as among the country's top 500 best performing enterprises. This is a case in point. But it is also felt that the reform of the employment system reform and the establishment of a distribution incentive mechanism should complement each other and become integrated as one.

B: These are not the only two which should be mutually complementary. Reform of the social security system reform, particularly old age insurance and unemployment insurance, should also be initiated at the same time and follow the road of rational burden-sharing between the state, enterprise, and individual. Simultaneous implementation of these three system reforms and their mutual coordination will make possible the gradual extension of the operational radius for the labor system reform. Consequently, we should not only take note of the opportunity to complete the reform of the three system reforms, further emancipate the mind, and dare to engage in practice so that the labor system reform will make a new positive and steady stride based on the original foundation. But we should focus on creating the favorable conditions, master the dynamics, refrain from "engaging in solitary battles," and avoid haste and over anxiousness. It should be particularly emphasized that along with the gradual deepening of the labor system reform, the rational circulation of workers will become inevitable. To erase the concerns of these workers and persuade them to work again, it is necessary to take a firm grasp of the social security system reform, especially the old age insurance and unemployment insurance, out of consideration for the stability of the entire society. This is a prerequisite for the deepening of the labor and wage system reforms.

Part IV

HK1107150991 Beijing JINGJI RIBAO in Chinese
18 Jun 91 p 1

[Report: "Science, Technology Is Fount: Part Four of a Series of Discussions on Boosting Vitality of Large, Medium-Sized Enterprises"]

[Text] A: Enlivening large and medium-sized enterprises must be approached from different angles. But in terms of the growth of productive forces, science and technology is the fount of enterprise development. Comrade Deng Xiaoping's thesis that "science and technology are the primary productive forces" has opened up an important new line of thinking for our exploration of ways to enliven large and medium-sized enterprises.

B: Comrade Jiang Zemin has recently pointed out that we must "shift the focus of economic construction to scientific and technological progress and raising of laborers' quality" and described this shift as a "widespread and profound change" and "further deepening the shift of work focus adopted by the Third Plenary Session of the 11th CPC Central Committee." For many enterprises, adapting to this kind of strategic change means that they have to give up the previous simple, repetitive, and low-level commodity production. Now they must rely on continual technological progress, seek opportunity for development, and find themselves a path that will change the high-input and low-output extensive operations into hi-tech, low-input, low-depreciation, and high-output intensive operations. The fulfillment of such a change will serve as a final indication that enterprises have genuinely been enlivened; particularly for state-run large and medium-sized enterprises.

A: This is not cliche. In commodity production, the vitality of an enterprise is reflected most fully in the competitiveness of its products. On the surface it is about market competition but deep down it is the competition of technology. Nobody can hope for much use value from a product devoid of use efficiency, and much less commodity value from a product if it is devoid of a relatively high use value. And so we can observe such a logical chain: Scientific and technological level determines the use value of a product, and its use value determines its commodity value and hence the margins of enterprise efficiency, which is the ultimate material foundation for an enterprise's vitality.

B: Economic realities readily show this principle, for example a market downturn, for which you can look for the cause from many angles. From the production end, the market downturn will chiefly be caused by poor performance in product development. The amount of technology that went into a product determines its performance and quality, and eventually its competitiveness. The experience of our Wuhan Heavy Machine Tool Factory over the last few years is a case in point. A number of hi-tech numerically controlled heavy-type machine tools, which were the object of intensive development, have been sold to countries and regions like Japan, Germany, and South Korea. But the sale of common-type machine tools, which used to be our staple product, now has come to a halt in our domestic market.

A: People are increasingly aware that, with the arrival of a new age of technological revolution, science and technology has become the determining factor in the development of production forces. The level of scientific and technological development influences the level of development of productive forces. The revelation of the status and role of science and technology as the primary productive force represents a deepening of our understanding of the law of the development of production forces. We pursue reform for the purpose of developing social productive forces. How can we afford to ignore, in this process, the very force unleashed from the development of productive forces?

B: This raises a question: How do we, on a macroscopic level, better combine economic structural reform with scientific and technological structural reform, and, microscopically, bring enterprise reform in line with the need of promoting technology progress? One of the objectives of enterprise reform is to form a new mechanism whereby an enterprise can employ scientific and technological talent, adopt scientific and technological fruits, and boast an inner impetus to continually conduct technology transformation, so as to benefit scientific and technological progress and economic development.

A: The enlivening of enterprises with scientific and technological progress therefore is not a choice but a must. I have here a record of a case. Liaoning, an old industrial base, recently found that in the province's nearly 1,000 large and medium-sized enterprises, over 30 percent of their existing facilities dated from the 1950's, 50 percent from 1960's and 1970's, and only 10 percent manufactured after the 1980's. Calculations from concerned departments show that only 20 percent of the existing facilities in our country's manufacturing enterprises reach the 1970's to 1980's levels in developed countries. If an enterprise is state-run and large or medium-sized, the chances are it has bigger debt arrears arising from technological transformation and a heavier burden. Strengthening technology has become a most pressing need.

B: There is also a problem. Transforming technology contradicts with strengthening enterprises' vitality. A considerable number of enterprises have long been overloaded and operating beyond capacity, using up all their reserves in order to effect a large-scale and fundamental technological overhaul, thus overextending themselves. Ours is a big factory with its fixed assets valued at 240 million yuan. Technological inputs in the Eighth Five-Year Plan requires at least 50 million yuan. We can hardly come up with the amount even if we put in all the factory's retained earnings. It will be worth our while to study how to make use of inputs to activate technological transformation.

A: The first item in the recent State Council circular on enlivening enterprise's vitality is "properly increasing inputs for enterprises' technological transformation." The State Council has also drafted measures to...rly raise the depreciation rate for some enterprises and funds for developing new products. All these are timely.

B: Even with all these, inputs from the state remain limited. We should draw up a waiting list for large and medium-sized enterprises, prioritizing and scheduling things, and with which to formulate preferential policies. While boosting investment for transformation in energy, transport and raw material industries, we must not neglect transformation in mechanic and electronic industries, for the technological status of these two industries determines the pace of technological progress in all other fields in the national economy. Regarding raising the depreciation rate, we view this with mixed feelings. The critical problem is that the enterprise "pie" is so big, and it is a problem how we cut it and ensure we eat it well.

A: This is really the heart of the matter. It is unrealistic to hope for manna from heaven, as the state is not likely to undertake all the technological transformation inputs for all large and medium-sized enterprises. Some localities and enterprises are probing various ways and channel to come up with a method for scientific and technological inputs. Enterprises must also work hard to exploit their own potential. There are reports that Shanghai will be launching something big concerning transforming traditional industries with foreign funds. This is another new path.

B: Sustained and unslackened technological progress by enterprises relies on two things: One is impetus and the other ability. The problem of impetus calls for improving understanding and deepening reform; while ability is related to perfecting the contracted responsibility management system and smoothing out relationships between the state and enterprises in the aspect of distribution. If an enterprise is given low retained earnings levels, with the result that it is left with very little after discounting wages, welfare expenditure, of course it will be hard for it to become the main body in investment for technological progress. It remains an important topic of study of ways to form a benevolent cycle in which an enterprise can achieve self-accumulation, self-transformation, and self-development.

Official on 'Ongoing Reform' of Banking System

OW1607172791 Beijing XINHUA in English
1615 GMT 16 Jul 91

[Text] Beijing, July 16 (XINHUA)—A central bank official said today that in the coming years China will engage in the planned issuance of additional bonds and stock shares.

Speaking at a national bank conference being held in Beijing, Zhou Zhenqing, deputy governor of the People's Bank of China, said that this is a major component of the ongoing reform of China's banking system which is aimed at diversifying the financial assets of the nation.

Zhou said that during the state's eighth five-year plan period (1991-1995) China will establish a unified system of banking markets which are governed by a well-defined set of rules. According to Zhou this will include a nationwide bond market.

The state will also open stock exchanges in a number of large cities on a trial basis, and will cautiously develop a set of standard transaction norms, according to Zhou.

China first initiated reform of the banking system some 12 years ago. At present, the banking system, which is made up of the central bank and four specialized banks, as well as other banking institutions, has become a major force used by the state to manage the national economy.

The state has adopted various types of credit transaction, including stocks and bonds, in order to enliven the capital market, and stock exchanges have been opened in Shanghai and Shenzhen.

By the end of last year, China has issued stocks and bonds valued at over 260 billion yuan, and the transaction volume reached 18.7 billion yuan.

Capital Construction Projects Increase Jan-May

HK1707073491 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1445 GMT 12 Jul 91

[“Dispatch”: “Another Upsurge in China’s ‘Capital Construction Craze’”: ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, 12 Jul (ZHONGGUO TONGXUN SHE)—Liu Jun, director of the Investment Department of the State Statistical Bureau, said that from January to May this year, the newly started capital construction projects and updated and modified projects totaled over 8,300, an increase of some 4,000 projects—approximately 100 percent—over the same period last year.

Liu Jun said China now has 46,000 capital construction projects, including the projects now under construction and the suspended or delayed projects whose construction has now been resumed and that the investments total 850 billion yuan, an increase of 14.9 percent over the corresponding period last year and an increase of some 30 percent over the “capital construction craze” in 1989.

Liu Jun said that of these many projects, some do not meet the requirements of the state industrial policy and that many projects of office buildings, large halls, and guesthouses have emerged. If this is not promptly checked, newly started projects will increase in the second half year. If the funds for these many projects are insufficient, it will inevitably result in “debt chains.”

Liu Jun suggested: The state must adopt effective measures to prevent investments from further increasing and to treasure the achievements brought about by retrenchment and readjustment in the last two years and more to not aggravate the “capital construction craze.”

Tariff Cuts Attract Overseas Investors

OW1707095691 Beijing XINHUA in English 0754 GMT 17 Jul 91

[Text] Tianjin, July 17 (XINHUA)—The Bohai Petroleum Corporation of Tianjin has already enjoyed reduced customs duties amounting to 400 million yuan in importing equipment and technology, according to the Tianjin customs.

The preferential terms have helped attract a large number of overseas investors to the corporation, which is an arm of the China National Offshore Oil Corporation. So far, it has signed seven contracts and agreements with oil companies in Japan, France, the United States, Britain, and Australia

for joint exploration and development projects; established five joint companies with overseas partners; and set up business ties with more than 100 firms in 26 countries and regions.

Total foreign investment in oil exploration in China amounts to 800 million U.S. dollars, and that in oil development, 520 million U.S. dollars.

Between 1982 and 1990 the corporation used imported equipment and technology to drill 187 oil wells and discover 47 oil and gas structures. So far, the development of three oilfields has been completed. With 860,000 tons of total annual output capacity, the oilfields have already produced 3.75 million tons of oil.

Top Ten Export Commodities in First Half of 1991

HK1607111891 Beijing CEI Database in English 16 Jul 91

[Text] Beijing (CEI)—China’s General Administration of Customs recently released statistics on the country’s top ten export commodities in the first half of 1991.

They are:

1. Garments. The total export volume increased to 1.376 billion pieces from that of 1.113 billion pieces in the same period of 1990, up 23.6 percent.
2. Crude oil. The export volume rose to 10.85 million tons from that of 10.25 million tons in the same period of 1990, an increase of 5.8 percent.
3. Cotton cloth. The total export volume added up to 1.068 billion meters compared with that of 970 million meters in the same period of 1990, up 10 percent.
4. Cereals. The export volume increased to 4.68 million tons from that of 2.46 million tons in the same period of 1990, up 90.1 percent.
5. Rolled steel. The export volume totalled 1.29 million tons compared with that of 685,000 tons in the same period of 1990, up 88.8 percent.
6. Aquatics. The total export volume amounts to 158,000 tons compared with that of 163,000 tons in the same period of 1990, a drop of 3 percent.
7. Finished oils. The export volume rose to 2.21 million tons from that of 2.2 million tons in the same period of 1990, up 0.5 percent.
8. Polyester-cotton fabrics. The export volume increased to 602 million meters from that of 492 million meters in the same period of 1990, up 22.1 percent.
9. Medicines. The export value totalled 333.93 million U.S. dollars compared with that of 271.98 million U.S. dollars in the same period of 1990, an increase of 22.7 percent.

10. Tinned food. The export volume rose to 281,200 tons from that of 280,000 tons in the same period of 1990, up 0.4 percent.

Sources said that the total value of the above-mentioned ten export commodities topped 320 million U.S. dollars each.

According to the sources, the export volume of real silk plain, which led the 1990 top ten export commodities,

reduced to 63.11 million meters from that of 72.14 million meters in the same period of 1990, a drop of 12.5 percent.

Top ten export commodities in the first half of 1990, each with an export value of above 270 million U.S. dollars, were garments, crude oil, cotton cloth, aquatic products, cereals, canned food, finished oils, real silk fabrics, polyester-cotton fabrics and medicines.

East Region

Fujian Issues New Foreign Investment Policies

OW1807085291 Beijing XINHUA in English
0748 GMT 18 Jul 91

[Text] Fuzhou, July 18 (XINHUA)—In order to further create a better atmosphere for foreign investors, the provincial government in east China's Fujian Province recently issued a new provision initiating preferential policies for foreign-funded enterprises.

The provision concerns "delegating certain power for the examination and approval of foreign-funded projects to lower levels, and simplifying examination and approval procedures," according to an official from the provincial government.

The official said that transferring power to lower levels will simplify some procedures and shorten the examinations and approval process.

According to statistics from the provincial department of foreign economic relations and trade, the province approved 407 foreign-funded enterprises involving 125 million U.S. dollars worth of committed investment during the first five months of this year.

The figures are respectively 20.1 and 26.7 percent more than those for the same period last year.

By the end of May this year, the total industrial output generated by the province's foreign-funded enterprises reached 4.739 billion yuan, accounting for 24.6 percent of the province's total industrial output value.

Jiangxi Drought Devastates Wide Cropland Area

HK1907002591 Nanchang Jiangxi People's Radio
Network in Mandarin 1000 GMT 17 Jul 91

[Text] Given the serious drought in some areas, party and government cadres at all levels and in all departments as well as the broad masses of the people across the province have taken a variety of measures to combat drought and protect crops and seedlings in order to reap a good harvest this year.

The present drought situation of our province is becoming more and more serious. Ganzhou Prefecture, Fuzhou Prefecture, Jian Prefecture, and Yichun Prefecture are being devastated by the most serious drought which has plagued more than 1,200 townships and towns and more than 9.53 million mu of farm crops. Farm crops on more than 0.6 million mu of land have been completely destroyed.

The drought has inflicted grave losses on more than 1.6 million peasant households and caused great concern among party and government leading cadres at all levels. Led by 150,000 cadres, some 3.44 million people are now fighting in the drought-resistance forefront in various areas across the province. Leaders of the six principal leading organs of Fengcheng City led more than

300 cadres from various organs directly under the city authorities to the rural areas and organized some 100,000 people to combat drought, thus mitigating drought on some farmland. Le'an County organized more than 2,200 cadres at all levels to go to the fields to combat drought and provide disaster relief day and night, village by village, and field by field and implemented a responsibility system in this regard.

Various trades and professions across the province have also closely cooperated with one another and formed a unifying force to support the drought-resistance struggle. The provincial office in charge of [words indistinct] recently issued an emergency circular, calling on electric power supply departments in various areas to organize and send supporting-agriculture service teams to the rural areas to examine and repair electricity transmission and transformation equipment and make overall arrangements for electricity supply to agriculture-oriented drainage and irrigation networks. Farm machinery management departments at all levels must actively organize a large number of irrigation and drainage mechanical equipment to support the drought-resistance work.

Now more than 40,000 pieces of mechanical and electric irrigation and drainage equipment with a total horsepower of more than 0.58 million kilowatt-hours have taken part in the drought-resistance work. Quite a few areas have massed diesel engines with smaller horsepowers and the Dongfeng Type-12 hand-tractors, installed water pumps on them, and organized drought-resistance irrigation service teams which are providing mobile services. The provincial farm machinery bureau has allotted another 2,000 tons of diesel oil for agricultural use to support the drought-resistance work and distributed the diesel oil to various areas.

The agriculture departments have also prepared more than 5 million tons of [words indistinct], soybean, sesame, and sweet potato strains, which can be sent to areas that need them at any time. Commercial, supply and marketing, edible oil, communications, and transportation departments are presently transferring and transporting mechanical equipment, edible oil, and other goods and materials needed in the drought-resistance work to the drought-resistance forefront.

Shandong Scholars Discuss Peaceful Evolution

SK1807101991 Jinan Shandong People's Radio
Network in Mandarin 2200 GMT 17 Jul 91

[Text] On the afternoon of 17 July, at Shandong Medical College, the college work committee under the provincial party committee held a forum with the participation of leaders of some universities and colleges in Jinan and of some noted scholars and ideological and political work cadres. The forum was for discussing ways to gear higher education to the challenges from the peaceful evolution scheme of the Western hostile forces and how to build institutions of higher learning into a strong position of cultivating successors to the socialist cause.

The comrades participating in the forum maintained: At the moment, the focus of struggle for and against peaceful evolution lies in the winning of successors, and institutions of higher learning constitute the forward position to win successors. Under the current grim situation of the international hostile forces practicing peaceful evolution, whether or not we can build institutions of higher learning into a strong position to persist in the four cardinal principles and oppose bourgeois liberalization, and whether or not we can rear many thousands of qualified successors to the socialist construction cause have a direct bearing on the future and destiny of the party and the state and on the rise or fall of the socialist cause.

The comrades participating in the forum also talked about their views on the problem that at present some institutions of higher learning still lag behind the demand of opposing peaceful evolution. They maintained: Institutions of higher learning must strengthen their sense of winning successors, and must regard the opposition to peaceful evolution as a fundamental and long-term task of their political construction. They demanded: Institutions of higher learning should enhance the self-construction of their party organizations, firmly embrace the political concept of opposing peaceful evolution, and strive to enhance their students' outlook on life and on value so that they may thoroughly strengthen their students' immunity against and consciousness in resisting peaceful evolution.

Shanghai's Huang Ju on Enterprise Efficiency

*OW1907024191 Shanghai People's Radio Network
in Mandarin 0900 GMT 17 Jul 91*

[From the "News and Weather" program]

[Text] This afternoon, the Shanghai Municipal People's Government called the Second Shanghai Municipal Industrial Enterprise Work Meeting at the Putuo Gymnasium. At the meeting, Mayor Huang Ju delivered a mobilization report entitled: Look inward, do a concrete job, and strive to realize the goal of preventing a slide in economic efficiency.

Vice Mayor Gu Chuanxun presided over the meeting. Attending the meeting were some 3,000 people, including (Chen Mingshan), vice chairman of the municipal CPPCC [Chinese People's Political Consultative Conference]; responsible persons from relevant municipal commissions, offices and industrial bureaus; and party secretaries and plant directors from large and medium-sized enterprises.

After fully affirming the results achieved by municipal enterprises in the first half of this year, Mayor Huang Ju pointed out: The tasks are still rather arduous, the situation is still very rigorous, and the foundation is still very weak in realizing this year's goals of preventing a slide in economic efficiency, of obtaining a genuine and solid financial revenues, and of effecting genuine benefits for enterprises in particular. In order to really do a good job in

preventing a slide in economic efficiency, which is a matter of great importance, Huang Ju called on all levels of leaders at various industries to further raise their understanding and unify thinking. He pointed out that the level of economic efficiency in enterprises is a matter of utmost importance which not only concerns the vitality of enterprises, particularly state-run large and medium-sized enterprises, but also the full realization of the superiority of socialism. If economic efficiency rises in enterprises, this will surely create material conditions for deepening reforms, expanding opening up, and making positive contributions to exploring ways in which socialism with Chinese characteristics might develop.

In his report, Huang Ju laid down the main objectives for industries in municipality in the third quarter. They are: maintain the same level of profits and taxes delivered to the state as in the corresponding quarter of last year; strive for 6 percent growth in gross production value over the same period last year; realize the sale of all newly-finished products; lower the level of funds tied up for finished products at the end of September compared to that at the end of June; expedite the pace of enterprise loan repayments and strive to raise this year's amount of enterprise loan repayments to levels higher than those of last year; and maintain a steady increase in the quality of major industrial products.

In order to ensure the realization of the goals for the third quarter and for the whole year, Huang Ju called on enterprises in the municipality to improve themselves in the following areas. First, they should enhance their concept of the market; make sales govern production; and expand markets and increase product sales. Second, they should improve enterprise management and strive to effect overall quality improvement in enterprises. Third, it is necessary to enhance the concept of giving top priority to quality and make unremitting efforts to raise product quality. Fourth, they should step up work on technological progress, vigorously readjust industrial structures, and ensure that this year's production values of new products reach or exceed 15 percent. Fifth, they should exert more efforts to instill in the minds of their staff members and workers the concept that they are really the masters of their enterprises; fully mobilize the masses to implement all objectives set forth in the Year of Quality, Variety, and Efficiency; and strive to reduce this year's scale of losses and amount of losses in enterprises to levels lower than those of last year. Sixth, they should improve the work of building leading bodies in their enterprises.

Personnel Changes Anticipated in Shanghai

*HK1907034391 Hong Kong HONGKONG STANDARD
in English 19 Jul 91 p 9*

[By Cheung Po-ling]

[Text] Following former Shanghai Mayor Zhu Rongji's move to the central government, there has been a flurry

of personnel changes in the economy and foreign fields there, Chinese sources claim.

They said the main reason for the reshuffle was that many of the officials are 65 years or older and were to be replaced within two months by younger cadres.

Among the major changes, Jiang Yiren will replace Yu Pingfang as director of the Shanghai Economic Commission.

In the city's Planning Commission, Xu Kuangdi will succeed Chen Xianglin as director.

The two commissions are the key departments in charge of the city's multi-billion dollar Pudong Development Zone project.

The 250 square-kilometre zone will be China's testing ground for economic reforms in the '90s.

Apart from preferential measures applied to the development of Shenzhen, Xiamen, Hainan, foreign investors would enjoy privileged policies, which are mapped out by the commissions.

Sources said the leadership of the Shanghai Foreign Economic Relations and Trade Commission (FERTC) will be invigorated as its head Shen Beizhang, 70, will be replaced by younger cadre Sha Lin.

It is understood Mr Shen will be posted to New York to set up the Shanghai International Holding Co., an umbrella organisation to co-ordinate Shanghai's U.S.-based offices.

Since Beijing decided to boost the foreign trade and economic development of Shanghai, many regional companies have opened branches overseas, especially the U.S.

Meanwhile, Shanghai Foreign Investment Commission Director Ye Longfei will be posted to Hong Kong to promote trade and investment in Shanghai and Pudong.

Central-South Region

Guangdong's Xie Fei on S&T Progress for Growth

HK1907052591 Guangzhou NANFANG RIBAO
in Chinese 10 Jul 91 pp 1, 2

[Article by Xie Fei: "Guangdong Must Rely on Scientific, Technological Progress for Future Economic Growth: Speech Delivered at Provincial Work Conference (17 June 1991)"]

[Text] Comrades:

It is not only today that the proposal to develop the economy by relying on scientific and technological [S&T] progress was raised. But have we truly recognized that this is a further deepening of the shift of the party's work to economic construction, and have we conscientiously carried this out? Has our economic construction taken the path of relying on S&T progress and of raising

the quality of the workers? In fact there still exists a wide gap. It is the main theme of this work conference to resolve this problem and to study how to make S&T progress the main feature and fundamental guarantee for the realization of the strategic objectives of the 10-Year Program and the Eighth Five-Year Plan, and how to boost the continuing growth of our province's economy by grasping S&T progress.

I. Decisive Role of S&T Progress in Growth of Our Province's Economy

Our province is moving from the first decade of reform and opening up into the crucial period of the second decade. Looking back to the last 10 years, the accomplishments in the economic construction in our country are clear for all to see. Looking into the next decade, we cannot avoid this real, serious, and profound question: What way should be taken by our province in order to attain a new economic level?

Experience has shown that for our economy to achieve a protracted and robust growth, it must rely first on reform and opening up, second on S&T progress, and third on capital input. The three are indispensable as well as closely tied to one another. And S&T progress is the important link which should be grasped firmly in the future. The establishment of a vibrant system to promote S&T progress and the expansion of S&T cooperation and exchanges should be made a major feature of the efforts to deepen reform and enlarge the opening up; regarding capital input, the proportion of input into S&T should be gradually increased henceforth. In the next 10 years or even longer, we can control the entire economic chain and boost the development of the province's economy only by seizing this important link—S&T progress. Quality should be raised, performance boosted, and back-up support secured. The party members, cadres, and people of the entire province should fully realize the decisive role of S&T progress in the economic growth of our province.

Marx described science as the "revolutionary force of the highest sense," maintaining that "the productive force of labor in society is, first and foremost, the force of science." Comrade Deng Xiaoping summed it up further in an insightful manner: "S&T is a force of production and it is the primary force of production." The truthfulness of these theses has long been proven by the history of the development of S&T. England led the way in the first Industrial Revolution. From 1770 to 1860, it possessed 30 percent of the world's important scientific findings and 57 percent of engineering and technical inventions. These, along with other factors, enabled its average labor productivity rate to rise by 20 times, while its industrial output value, output values of coal and steel, and total value of foreign trade were 39 percent, 50 percent, and 33 percent, respectively, of the world's total amount at the time, making it the "world's factory." This was a very good illustration of the effect of S&T on the economy. And this effect is becoming more pronounced with the development of S&T. It embraces the entire

society and permeates all domains. In our endeavor to build the four modernizations today, the key lies in the modernization of S&T which constitutes the basis which influences and restricts the overall situation.

In the past, we looked at the forces of production in an ordinary sense, defining it as to be made up of three main factors: Worker, labor tools, and the object of labor. The fact of modern S&T development has demonstrated increasingly more comprehensively that S&T is an important factor which is also part and parcel of the three aforementioned factors. It decides whether labor productivity could go up drastically or not. Workers of varying S&T qualities and labor tools and labor targets of varying degrees of S&T compositions will produce different economic results, with the impact caused by the S&T qualities of man being the most important. Since the reform and opening up to the outside world was introduced, the thinking and concepts, awareness of modern production, level of skills and knowledge, and level of management of cadres and people in our province have improved considerably. This is an improvement of the most important productive force. For practical considerations, our province organized the tackling of a large number of S&T projects where it achieved excellent results. The importation of technologies allowed 70 percent of industrial firms to undergo varying degrees of technical renovations. The level of the technology and facilities in 38 percent of backbone enterprises in 13 key sectors have approached or equalled the level in developed countries in the late 1970's and early 1980's. Our labor targets have also expanded from natural resources like land and minerals and simple man-made products to complex man-made products, making the present period one of the best times to vigorously promote our province's productive forces. The results from the conversion of S&T into real productive forces have also been very outstanding. A survey of the 500 award-winning S&T findings in our province has revealed that application of these findings for one year alone raised output value by 4.8 billion yuan, profits and tax revenues by 600 million yuan, and export earnings by 80 million dollar. The application of high technology makes possible higher yields. In putting to use S&T findings, the Zhuhai Biological and Chemical Plant used low-cost animal blood to replace human blood in the manufacture of a "blood coagulating enzyme" which stops bleeding instantly; the plant's per capita output value last year was 500,000 yuan. The total output value of 164 high tech industries in the entire province last year stood at 4.3 billion yuan, while per capita output value was 82,000 yuan, nearly three times the labor productivity of all personnel of industries and enterprises under the system of ownership by the whole people.

The reform of the S&T system and that of the economic system are related and complementary to each other. The common objective of the two is to promote the development of productive forces. As the primary productive force, S&T places a strong demand for the reform of incompatible production relations; as the revolutionary force of the highest sense, it plays a tremendous role in promoting the final solution of many tough issues encountered in the course of reform. While

the various reforms in our province have made progress, they still have to be intensified and carried to completion. The reform of the S&T system in itself is a domain that offers many possibilities. By emphasizing a satisfactory implementation of this reform, the overall effect of the entire reform will be boosted. It will also have an incalculable impact in promoting the economy.

The opening up to the outside world requires S&T progress, while advances in S&T should be achieved in the course of the opening up to the outside world. The economy of our province has grown into a light, export-oriented economic structure which is confronted by two markets simultaneously. It faces increasingly sharp economic competition both at home and abroad. Ultimately, this kind of competition will be manifested in a contest of the technological standards of commodities.

Whoever occupies the commanding point in S&T will also secure the market for high-tech products, gain the initiative in competitions, and acquire a position of invincibility. Unless we find a way to raise the level of high technology, our "Guangdong products" will be reduced to low-end mainland goods. Not only will the unconquered markets never to be conquered, but those which have been secured will be lost. Some enterprises were able to cope handily at a time of serious market sluggishness and occupy a certain place in the international market because they were able to apply new technology promptly on new products and become fairly competitive. Given that S&T in our province did not have an auspicious start, it is even more necessary to raise its level through exchanges and to upgrade the level of production by borrowing on foreign S&T findings. The Weida Medical Equipment Company in the mountainous county of Jiexi was formerly a small farm tools manufacturer, but it moved into the ranks of high-tech industry within a short period of time, thanks to the importation of foreign technology and of foreign technicians. It has grown into a group of companies with an annual output value of 150 million yuan, total labor productivity at 184,700 yuan, and export or substitute products making up 91 percent of all its products. This is a very fine inspiration to us.

As our province is an experimental zone for comprehensive reform, the vast masses of cadres and people are very keen to remain ahead in the process of reform and opening up. How can one stay one step ahead? This question is one that is being explored everywhere and one which we still have to study and consider in detail. But the most realistic key and one which has a bearing on the overall situation is the need for a further breakthrough in the operational mechanism which integrates S&T with the economy. With the special policies which we used to have, some have been modified while others are no longer special because of widespread practice. Meanwhile, insofar as the reform of the S&T system and the S&T findings are concerned, the possibilities are enormous while the policies are also quite favorable. Because our province boasts of special economic zones, economic and technological development zones, new and high-tech industrial development zones, as well as of vast tracts of open regions, there is no limit to the work

designed to open up the domain in S&T and there is ample scope for one's abilities. At present, many of our province's economic development targets lead the rest of the country, but in terms of S&T development, many of the targets linger either at the middle or the bottom. For example, the province ranks number 23 in the country in terms of the number of natural S&T for every 10,000 persons, number 14 in terms of the proportion of local allocations for S&T technology in fiscal expenditures, number nine in terms of patent applications, and number nine among 19 provinces whose overall strength in S&T is under assessment. Estimates by the relevant departments based on the Douglas index showed that our industrial production grew tremendously from 1979 to 1989, with capital input accounting for 70 percent of the growth, labor force input 10 percent, and S&T progress accounting for a mere 19.3 percent. We should know our own limitations and be able to see not only the rapid economic growth experienced in the past decade, but also the existing gap in S&T progress. We should observe them not only from a static state but also from a dynamic state. Today, all provinces and cities are engaged in the deepening of reforms and expansion of the opening up to the outside world, and are stressing S&T progress. Failure to make advances will result in retrogression. If no emphasis is made on S&T progress, then we will lack endurance and stamina, and, like in the sport of racing, we will fail to keep one step ahead in the final sprint and end in defeat. These gaps are also the potentials which, once they are tapped, will produce a big stride in the development of the economy. Therefore, whether or not the economic development of our province will remain in the forefront will ultimately depend on whether or not we are able to make a greater stride in S&T progress.

Some of our comrades are only interested in special policies, but not in S&T. It should be understood that the future development of Guangdong's economy will have to depend principally on S&T progress, and not on special policies. We should switch our thinking, foster the idea of relying on S&T progress and on economic competition, and stand for fair competition and for winning competitions by relying on S&T progress. On this question, whoever is negative and backward will be eliminated. We have to have a clear understanding of this.

Some comrades are used to developing the economy by relying on extensive reproduction, convinced that relying on S&T progress to boost the economy was a waste of time and effort, and so they are reduced to passiveness. Henceforth, the inputs which are necessary, especially inputs in agriculture, energy, transportation, communications, raw materials industry, and other areas, will remain indispensable for economic growth. But experience has told us that the future economic development of the whole province should depend primarily on intensive reproduction and the upgrading of standards and results. It should also be further understood that the most important intensive reproduction and one which could best bring out economic performances lies in S&T progress. If it is said that high input

will bring high yield, then high input should be poured into S&T. Once there is real input into S&T, then high yield will definitely be possible. Input for S&T progress has the effect of producing twice the results for half the efforts and will step up the development of the economy from a high vantage point.

There are some comrades who, once the issue of S&T is raised, will maintain that it is a matter for S&T and one that we cannot manage nor be able to manage well. Actually, science is not mysterious at all. It is found in everyone of us and links us to our fellow men. Things can always be understood and the same is true with S&T. It is neither possible nor necessary to ask everyone to become a professional scientist and professional technical personnel. But faced with the wave of a new S&T revolution, each and everyone of us, particularly comrades with leadership responsibilities, should enhance his awareness of S&T, understand and master the ordinary laws concerning S&T progress, and use them to guide his own undertakings. If we are to rely on S&T progress to promote economic growth, we should smash the "S&T-is-an-enigma theory" and mobilize the cadres and people to study, speak and apply science to create a big climate which provides an impetus for S&T progress.

Moreover, some regions and enterprises which are fairly backward economically still have a question of lack of confidence. They contend that the distance separating backward regions with S&T progress is too big, hold that reliance of S&T is not a pressing issue, and always feel the awesomeness of the difficulties. There is no doubt that regardless of the kind of regions and industries, they all have to rely on S&T progress. Naturally, S&T progress is also classified into different levels. The objectives of all regions and sectors in terms of S&T progress should be defined in view of practical considerations. It should be noted that the gap in economic development represents, in the final analysis, the gap in the level of S&T. The more economically and culturally backward a place is, the greater is the need to put a high premium on S&T progress and to rely on it to realize the development of productive forces and the improvement of productivity so that the gap which has widened during the long period of development will be narrowed in a fairly short period of time. If well-managed, it may even be possible to arrive at a high point right at the start and to come from behind to take the lead. There have been precedents set by countries and regions. A large number of well-known enterprises in our province, including town and township enterprises, have done so by relying on S&T. Not a few examples also exist in the mountain areas. Advanced techniques such as oil and ink reprocessing in Guangning, out-of-season vegetables of Yangshan, food bacteria culture and reprocessing in Shixing, Lianping, and Fengkai have displayed their roles as pioneers. After the county of Nanxiong promoted a new product and new technology in the form of yellow tobacco, total production of yellow tobacco went up to 17,470 tons in four years. The proportion of output value and fiscal revenues in the total industrial and

agricultural values and the local financial revenues of the county rose from 11 percent and 36 percent, respectively, in 1985 to 34 percent and 70 percent, respectively, in 1989. It has now become a pivotal industry. Meanwhile, as every locality seeks out its own poverty-alleviation and wealth-accumulation path, S&T progress represents the common way out of dire straits.

Speaking of the entire province, we possess many favorable conditions to promote economic development by relying on S&T progress. Ten years of reform and opening up have laid down the foundation which favors not only the invigoration of the economy but also of S&T as well as the promotion of S&T progress. Since the open regions in our province are fairly big, relevant preferential policies may be used to develop S&T, particularly high-tech industries. The S&T ranks in our provinces have been strengthened in the past decade. Natural S&T have increased to 420,000 people, while independent natural science research institutes in cities and above have mushroomed to 229. Conditions for scientific research have also improved. Dozens of universities and colleges as well as the scientific research institutes of various central departments based in Guangdong have fairly high level of S&T means which is a tremendous support to our province. The input into the economic construction in our country has been fairly big in the past decade. Huge amount of advanced installations was imported, while an industrial network of a definite scale was established. This constituted the material basis for the realization of S&T progress. The growth of the education endeavors has also provided the intellectual support for the future development of our province. Furthermore, as our province borders Hong Kong and Macao, the great number of Overseas Chinese could support our S&T progress by providing information, capital, technology, and manpower. At present, our province has already engaged in S&T cooperation and exchanges with 93 countries and regions. The economic growth in our province, improvement in working and living conditions, as well as the experience and methods accumulated from various places can all help attract S&T personnel. Under the great climate of reform and opening up in Guangdong, even the fairly economically backward mountain areas, cities and counties are also capable of attracting skilled personnel. The cadres and people in our province have a strong sense of the commodity economy and of the concepts of competition, information, timeliness and skills; they also have a strong sense of adventure and resolution as well as a sense of urgency to promote reform and construction. We should be adept at making full use of these favorable conditions in order to spur the S&T progress in our province.

We are presently faced with two opportunities: The opportunity for economic growth brought about by a readjustment in the world economic structure and the opportunity for S&T development brought about by the rise of a new S&T revolution. We have met similar opportunities in the past. We have even missed one such opportunity for economic growth during the 10 years of catastrophe. Since the 1980s, we have paid greater attention to the exploitation of new opportunities for economic growth and have achieved remarkable results.

Concerning S&T development, the state assembled capital, human resources, and facilities in accordance with the "12-Year Rules on Development of S&T" from 1956 to 1967 and built a number of high-tech research institutes and development bases in the inland areas. Today, they are playing a pivotal role. However, because our province is situated along the coast, we missed out on that opportunity. Today, the central authorities have formulated a series of countermeasures to deal with the S&T revolution and have asked the entire country to shift to a path where economic construction will rely on S&T progress and on the raising of the workers's quality. We should not miss this new opportunity to develop S&T. The party members, cadres, and people in the whole province should have a sense of crisis, of urgency, and of responsibility, seize the opportunity and take a firm grasp of S&T progress in order to promote the economic development of the province and push forward the building of the four modernizations.

II. Principal Objectives, Responsibilities Concerning S&T Progress in Our Province

In the next 10 years, economic construction in our province should gradually move onto the path of reliance on S&T progress and on improvement of the worker's quality. In carrying out comprehensive reforms, it is necessary to set up a highly vigorous operational mechanism where scientific research, importation, creativity, and application are mutually coordinated and mutually complementary. The level of development in S&T should be in harmony with the objectives in the economic development of our province as well as with the requirements of reform and opening up in Guangdong. The principal targets for S&T progress should gradually be in the top ranks of the country. By the end of the 1990's, the overall S&T capability which includes the quantity and quality of the S&T teams and facilities, S&T inputs, S&T information, the quantity and level of S&T findings, transfer of S&T findings, and S&T inventions and discoveries should have attained the country's advanced standards.

S&T progress should permeate every domain and every sector and should embrace the entire society. In terms of regions, the Zhujiang delta open region should serve as the "file leader" for S&T progress and develop genuinely into a new and high technology industrial belt. And in this region, Guangzhou, as the central city and old industrial base of the province, should give full play to its edge in terms of concentration of S&T personnel and of skilled manpower, release the enormous productive forces in S&T, improve the industrial structure and product mix, and produce a number of outstanding findings in the development of high technology and of basic research. At the same time, it should exercise its influence in order to promote S&T progress in the entire province. The three special economic zones of Shenzhen, Zhuhai, and Shantou should actively develop new and high technology industries. They should serve as "windows" in the importation of S&T, advanced installations, S&T information, and S&T personnel from abroad and from within the country.

And through absorption, digestion, and renovation, they can disseminate and spread advanced S&T in the inland, notably the mountain regions. Furthermore, efforts should be made to engage in exchanges and cooperation with new and high technology enterprises outside the territory based on the favorable conditions enjoyed by the special economic zones. The State Council has approved the establishment of two new and high technology industrial development zones in Guangzhou and Zhongshan as well as a S&T industrial park in Shenzhen. It is necessary to accelerate the pace of construction and strive to manage them well. These three development zones and three special economic zones should become the leader in the development of new and high technology in our province.

Meanwhile, in order to step up S&T progress widely in the coastal regions along the eastern and western flanks, it is necessary to upgrade the quality of goods and the level of management, acquire a number of technologically-advanced enterprises and new and high technology products, as well as bring in some modern technology and installation in order to boost the back up support for development.

In the mountain regions, it is necessary to strengthen the concept of relying on S&T progress to eliminate poverty and attain prosperity. The focus of work should be placed on raising the S&T and cultural qualities of the workers based on the existing conditions. Cooperation with economically, scientifically, and technologically more advanced areas should be enhanced, and proper attention made to select mature and suitable advanced technologies for dissemination. Development-oriented agriculture and town and township enterprises should rely more on S&T progress, and convert the edge in natural resources to the edge in commodities. Town and township enterprises, notably grade one enterprises in counties and towns as well as development-oriented agriculture engaged in scale operations, should be the main pillar in the mountain regions in absorbing and digesting advanced technologies, and rapidly converting S&T into real productive forces. And they should serve as the locomotive in spurring the popularization and application of advanced technologies.

In terms of sectors, the principal theme should be focused on the upgrading of industry and revival of agriculture. It is imperative to seize on major subjects and crucial technologies, organize in a planned manner the tackling of tough issues in S&T and industrial experiments, organize more effectively the implementation of the "Torch," "Spark," "Bumper Harvest," and "Prairie Fire" S&T development projects, and promote the readjustment of industrial structure and the development of an export-oriented economy.

On the industrial aspect, products should serve as the locomotive to spur the application and popularization of S&T findings and patented technology. Simultaneous with the absorption and digestion of foreign technologies, it is necessary to create some new and high technology industries gradually. Some enterprises should

achieve the advanced target level in technological renovation, product development, product quality, energy conservation and other aspects. The pivotal sectors in our province should raise the quality of their products in terms of grade, standard, efficiency and competitiveness. They should boost the proportion of the output value of high technology products in the total output value of industry and its proportion in export products in order to reverse the present situation where the targets in these two categories are lower than the national average.

In agriculture, the important point is to raise productivity in agriculture and the efficient utilization of resources. Modern S&T should be used to improve the level of agricultural development. The development and popularization of improved breeds, application of advanced technologies in scientific planting and cultivation as well as the scientific improvement of low-yield farms should be disseminated as soon as possible. Land exploitation rate, labor productivity, commercialization of farm products and export earning capability should be raised dramatically. It is necessary to establish a rational compound ecological system covering agriculture, forestry, animal husbandry and fishery, promote diversified food production as well as preservation and processing techniques, and attach importance to the wide application of biological techniques and farm machinery in agricultural production. It is imperative to step up the building of a network to disseminate farm technology, stabilize and build up a farm technical group in order to open the way for services by farm technologies. Town and township enterprises should employ different means to form their own technological support, actively absorb advanced technologies, step up scientific management, raise the quality of workers, improve the quality and grade of products, boost economic performance, and maintain a fine momentum in development. Guangdong's agriculture should pay particular attention to the introduction of advanced technologies in breeding, plantation and cultivation as well as in processing and storage of farm and supplementary products, raise commercialization, and boost foreign exchange earning capability. All cities should establish a model county in S&T progress in agriculture while counties should set up model towns and villages which will serve as the guide and locomotive to spur on S&T progress in the countrysides.

Other sectors and industries such as medical and health care, labor protection, planned parenthood, disaster prevention, environmental protection, sports as well as commercial and service sectors should also draw up the targets and means for the realization of S&T progress. All trades and sectors should strive for progress and achievements in terms of S&T progress.

III. Primary Means To Boost S&T Progress

1. The principal party and state leaders at all levels should put a high premium on S&T and personally seize on S&T progress.

To get a firm grasp of the central task of economic construction, it is necessary to seize on scientific

advances and the development of the primary productive force. It is imperative to show concern, inquire about and seize on the implementation of the reform of the S&T structure, S&T policies, training of S&T personnel, S&T inputs, tackling of tough issues in S&T, industrial experiments and major S&T projects. Leaders of party and state departments at all levels should possess a strong sense of history and of mission and incorporate S&T work into the principal agenda. The decision-making organs at all levels should open up more avenues in order to have access to the opinions and suggestions from the S&T circle, and make policies more scientific and democratic. Departments should work together and coordinate with each other in order to contribute their efforts toward the common goal of making S&T progress. It is necessary to have a prompt understanding and awareness of the development of S&T in one's own department and network, conduct regular discussions of policies, plans and measures designed to promote S&T, step up inspection and supervision, study and resolve the difficulties and problems involved in the development of S&T, and sum up as well as disseminate the outstanding experiences.

2. Enhance the people's concept of S&T, and mobilize the people into taking part in practical activities to promote S&T progress.

S&T progress requires the participation and mobilization of the people. Hence, it is necessary to carry out a broad and enduring propaganda and education drive among the people concerning the significance, objectives, policies of S&T progress as well as on S&T knowledge. By doing so, the people will be able to acquire a strong concept of S&T, improve their own quality in S&T, and voluntarily rely on S&T progress to develop the economy. The departments of propaganda, culture, news and publications should step up work in this area. Mass activities on technological innovations should be launched in enterprises; all kinds of contests and activities on technical demonstrations, progress and skills should be held in the countryside. The entire society should foster a fine atmosphere which encourages the respect of science and talents and the study and application of science. It is suggested that June of every year be designated "S&T progress activity month." During this month, lively and entertaining activities on S&T such as propaganda, consultation, inspection, contest, and commendation should be launched across the province with great fanfare in order to promote the initiation of this undertaking.

3. Establish a new S&T structure which is beneficial to the promotion of S&T progress.

To establish a new S&T structure which is beneficial to the promotion of S&T progress, it is necessary to deepen the reforms and draw up policies on scientific research, personnel, market, investments, and distribution which are favorable to S&T progress. For this purpose, starting February this year, Comrades Fang Bao and Lu Zhonghe spearheaded the organization and launching of a survey

and study. A decision was drafted which, after the approval in principle of the provincial party committee and the provincial government, was distributed for discussion and comments by the participating comrades in this meeting. A decision will be disseminated and implemented after a final version has been drafted.

The establishment of a new operational mechanism in S&T is intended to mobilize fully the initiatives of all parties to rely on S&T progress as well as the initiatives and creativity of S&T personnel; it is designed to achieve a close integration of S&T and the economy, and S&T and the market so that S&T findings can be converted rapidly into productive forces; it is designed to promote a rational allocation and coordinated growth of basic research, applied research and technological development. To achieve this, one, it is necessary to boost the vitality of S&T units, expand the decision-making powers of S&T institutions, develop and perfect all kinds of operational responsibility systems contracted by S&T organs, introduce a competitive mechanism into S&T technological units, and stimulate their internal vitality. Two, it is necessary to develop S&T organizations made up of many elements and forms, encourage state-run firms, collectives and the individual to set up all kinds of scientific research, technological development and consultative organs. Three, it is necessary for enterprises and countrysides to establish various types of cooperative links with scientific research institutions and schools of higher learning in order to carry out jointly the development, propagation and application of S&T, gradually establish their own scientific research institutions, and exploit their own strength in scientific research. Four, it is necessary to guide and encourage the evolution of institutions oriented toward technological development toward the integration of scientific research, production and operation, establish and develop entrepreneurial and production bases encompassing science, industry (agriculture), and trade. Five, it is necessary to invigorate the technological market. Aside from basic research, it is necessary to give full play to the role of the market mechanism in the development, application and dissemination of S&T findings, vigorously promote the commercialization of these findings, actively nurture and promote the technological market, and carry out multi-leveled, multichanneled, and multifaceted activities in technological trading in accordance to the principle of "opening up, invigoration, support, and guidance." Six, it is necessary to carry out a rational allocation of the various types of scientific research including basic research, applied research, and technical development, and step up planning and management. The state should provide support and coordination in the development of major scientific research projects, key technologies, and strategic products which have a great bearing on social welfare and on the overall national economy; it may even have to organize joint action in the tackling of tough projects and increase the input of capital. In short, an exciting, new and lively mechanism should be formed

through a reform of the S&T structure so S&T undertaking will be rooted in the economy, serve the economy, and spur the growth of the economy.

4. Earnestly resolve the crucial issue of skilled personnel.

S&T personnel represent the pioneers of the new productive force. Much data from at home and abroad has shown that S&T competition is ultimately a competition of skilled personnel and that they are the key to S&T progress. Given that our province has a shortage of skilled S&T personnel, it is necessary to exert a great determination to resolve this problem in order to be able to rely on S&T progress to develop the economy.

First, skilled personnel should be nurtured and trained through diverse levels and channels so as to raise the quality of the workers in a comprehensive manner. The steps include an effective management of all kinds of schools at all levels, firm grasp of the different types of vocational and technical education, establishment and perfection of all kinds of training systems. These are the basic work needed to raise the quality of workers and to produce skilled personnel; hence, they should be seized effectively. It is necessary to pay attention to the training and selection of skilled personnel from among workers, peasants and other workers, as well as to their selection from advanced enterprises.

Second, it is necessary to give full play to the initiative and creativity of the existing skilled personnel. Aside from the aforementioned reform of the S&T structure, attention should be paid to the following: Step up ideological and political work, and raise the political quality of S&T personnel, allow all kinds of talents to blossom and flourish in the right positions, improve working conditions including necessary facilities, information, capital and assistants, implement the principle of distribution according to labor and improve living conditions; protect the legitimate rights of S&T personnel including their intellectual property rights. In employing skilled personnel, it is necessary to overcome "leftist" ideas and concepts as well as the seniority mentality, and allow a large number of well-trained and energetic middle-aged and young people to move into key academic and technical posts. For those with practical experience and major S&T achievements, they should be treated truthfully in terms of job assessments, remunerations and employment at work. Some special policies should be drawn up regarding the leaders of S&T projects so that they can concentrate with the organization of the projects and produce results as soon as possible. We should encourage S&T personnel to make contributions to the mountain regions, the countryside and the neediest places.

Third, the best personnel should be recruited from far and wide. The advantages and favorable conditions that Guangdong enjoys in this area should be fully understood and the recruitment work carried out satisfactorily. Efforts should be made to select and attract actively S&T personnel into coming to work in Guangdong. In

particular, the door should be thrown wide open to leaders of S&T projects and to S&T personnel who can bring S&T findings of major economic and social benefits to our province. The procedures for assignment should be simplified and the remunerations made attractive. Different methods may be used to attract S&T personnel from other places, such as formal assignment, offer of employment, technical investments, technical contracts, technical counselling as well as transfer and joint development. Preferential terms should also be adopted to recruit foreign scholars into coming to work in our province in a planned and selected manner.

Fourth, respect for knowledge, S&T, and skilled personnel should be genuinely carried out. All levels should draw up and implement a system of merit and citation for successful S&T personnel so as to serve as a model for all. Those with major S&T achievements should be accorded the corresponding political accolade and financial awards. Henceforth, the province should hold a solemn citation rally once a year. We hope that the S&T workers will recognize their glorious historic mission, continue to upgrade their ideological and political level, strive to become competent experts, and make greater contributions to the socialist modernization and construction of the motherland and to the S&T progress and economic recovery of our province.

5. Step up the work on the digestion and innovation of imported technology.

By taking full advantage of the favorable conditions provided by the reform and opening up in our province, efforts should be made to continue the vigorous importation of advanced technology and installations, realistically step up the work on the digestion and innovation of imported technologies and the absorption of inland S&T findings in order to spur on the S&T progress in our province and allow us to reduce the gap with other developed countries and regions from a higher starting point. In importing technologies, our purpose is not simply to raise the production capability during the period of importation, but more importantly, it is intended to raise our level in S&T, upgrade the capability for carrying out our own research and development, and ultimately approach or even surpass the world's advanced levels in S&T. Therefore, we should exert the utmost effort to do a good job in the absorption, digestion and innovation of advanced technology, and use them as a principal means to promote S&T progress in our province. Importation should be organically integrated with absorption, digestion, innovation, and research and development in order for the entire process to evolve gradually into a reliable technical support for the province's economic development. Consequently, the governments at provincial and city levels should establish and perfect an authoritative organ to guide and manage the importation, absorption and innovation of technology, assume the responsibility to formulate plans for this purpose, define major projects, coordinate the relationship among different relevant departments, and

organize their implementation. It is necessary to establish a responsibility system connected with the importation, digestion and renovation of new projects, and mobilize as well as assemble the corresponding technical forces within different scopes in order to tackle tough issues by taking note of the differences in the benefits and difficulties of the projects. The funds needed for the digestion and renovation of imported technologies should be raised through various channels so that a stable source of capital can be established. The amount of minimum capital should be set according to the different regions and departments. During the Eighth Five-Year Plan, a new situation should be created in the work regarding the digestion, renovation and popularization of imported technology, and efforts should be made to obtain greater results and a more mature and complete set of experience developed.

Guangdong possesses vast tract of open regions which have fairly great appeal both at home and abroad. Aside from the need to do a good job in the digestion and renovation of imported technology, it is also necessary to step up S&T cooperation, exchange of information and public relations work within the country, apply methods like joint operation of S&T projects, sale of patents, and recruitment of foreign S&T personnel to Guangdong, and absorb S&T findings from within the country in order to promote the use of S&T findings in Guangdong.

6. Establish and perfect an organizational network to promote S&T progress.

1. S&T guidance teams should be set up in the province, cities and counties. They should be headed by the principal government leaders who will be in charge of the direction, organization and coordination of work in this area, while responsible comrades of relevant departments should also be taken into the teams.

2. Appoint vice mayors, vice county (prefecture) heads, and vice town and village chiefs to take charge of S&T. These cadres should ordinarily be well-versed in S&T and should have completed university or polytechnic education. All levels should conscientiously select a number of such personnel and strive to have them in place within one or two years. Those assigned to counties, towns and villages should be assured of a tenure of at least two to three years or even longer. They should give full play to their roles during their tenure and their performances and accomplishments subject to regular inspections.

3. Teams should be set up in enterprises and countrysides with the purpose of engaging in S&T research and popularization of S&T. The areas for all kinds of scientific research should be defined and a network for popularization of S&T established.

4. Large number of scientific research personnel should be organized to go into the factories and countrysides so that they can provide consultation, offer contractual work and investments in S&T.

5. Give full play to the roles of science commission and science associations at all levels.

Comrades, reliance on S&T progress is the necessary means and source of hope for economic development in our province. Hopefully, through this conference, we will become more aware, more conscientious and more creative on this issue. All cities, counties and departments will also display the vigor, application and practical means to open up a new situation to promote S&T progress.

Zhao Fulin Addresses Guangxi Work Conference

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[Excerpts] On 9 July the regional party committee and government held at the Nanning (Xinyuan) Hotel a meeting to exchange information on work done region-wide in the first half of the year.

Cheng Kejie, chairman of the regional people's government, briefed leading comrades of several sets of leading bodies, key members from various cities, prefectures, and counties, and responsible members of regional-level departments, commissions, and offices on the work done in the region in the first half of the year and arranged for the work for the next six months.

Comrade Zhao Fulin delivered an important speech at the meeting.

Comrade Cheng Kejie first reviewed the work done in the first half of the year. He said: In the last six months, Guangxi did a fairly good job accomplishing various tasks. We enjoyed political stability region-wide, achieved a basically sustained and steady development of the local economy, and kept the society in good order. The situation was satisfactory as a whole, which found expression in the following.

1. We conscientiously implemented the spirit of the Seventh Plenary Session of the 13th CPC Central Committee and encouraged party members, cadres, and the masses to think in compliance with the spirit of the session. We succeeded in drawing up the region's 10-Year Program and Eighth Five-Year Plan for economic and social development in line with local conditions. We conducted education on persisting in making economic construction the core of our work and developing productive forces.

2. In all earnestness we studied and implemented the spirit of the speech Comrade Jiang Zemin made when he came to Guangxi on an investigation tour. All levels of leaders and the broad ranks of cadres deepened their understanding of the need for reform and opening to the outside world and brought closer the party's relations with the masses.

3. We made concentrated efforts to promote economic development and achieved sustained and steady development of the local economy. In the agricultural front, forestry, animal husbandry, sideline occupations,

fishery, and the production of industrial crops continued to grow steadily in the first half of the year despite serious natural disasters. At the same time we made adequate arrangements for the production and daily life of the masses in disaster areas. As regards industry, the regional gross industrial output value for the January-June period hit 18.56 billion yuan, up 12.6 percent over the same period last year. Of 13 prefectures and cities 12 registered growth. For capital construction and technological transformation, fixed assets investment showed a rebound, putting an end to the continuing decline in the last two years. From January to June, investment in fixed assets made by state-owned units amounted to 1.075 billion yuan, up 19.3 percent over the same period last year. [passage omitted]

In the same period, the export value region-wide totaled \$404 million, up 12.75 percent over the corresponding period last year. For the first five months this year, the number of contracted projects utilizing foreign funds region-wide increased by 27 over the same period last year. Foreign investment stood at \$24.51 million, up 340 percent over the corresponding period last year. In the January-June period, the total income of township and town enterprises added up to 5.256 billion yuan, up 25.5 percent over the same period last year. As the economy grew, there was an increase in revenues. From January to June, the whole region netted 2.324 billion yuan in revenue, up 5.7 percent over the same period last year. Bank deposits in late June were 3.14 billion yuan more than early this year. Credit balance increased by 1.36 billion yuan. Banknotes recovered from circulation amounted to 1.397 billion yuan. In the first half of the year the region-wide total volume of retail sales were to the tune of 11.67 billion yuan, a 14.95 percent increase over the corresponding period last year. From January to May, the workers' total wages were 14.71 percent higher than the same period last year. Living expenses of residents in urban and rural areas increased by 12.9 percent, and the peasants' income also increased to a certain degree.

4. In the first half of the year, we did a great amount of work to promote family planning. The regional authorities further strengthened leadership over family planning, set up leadership groups to take care of the work, and drew up a population control plan for the Eighth Five-Year Plan period.

Comrade Cheng Kejie said: We made fresh achievements in promoting ideological and cultural progress. In rural areas we conducted socialist ideological education and persisted in the principle of paying equal attention to restructuring economy and building up prosperity. We also tried to make socialism prevail in the ideological and cultural fields and made progress in public health and sports.

Comrade Cheng Kejie continued: In the first half of the year, we further strengthened party building. First, we

strengthened the leadership line-ups politically and organizationally; second, we strengthened party organizations at the grass-roots level, working hard to heighten their fighting capacity; and third, we made great efforts to improve party style, tighten up party discipline, and build up a clean and honest government.

Comrade Cheng Kejie finally stressed: In the next six months, we must give priority to the following tasks.

1. We must keep an effective grip on economic work and persist in putting agriculture in the first place of our economic work. We must work hard to carry through the 1991 industrial production plan regarding improving economic efficiency as a central task. We must do a good job promoting capital construction and technological updating and open wider to the outside world. We should export more commodities this year than we did last year. We must commit banking and financial departments to improve their work. 2. We must strengthen socialist ideological education and promote socialist ideological and cultural progress.

3. We must preserve social stability and keep society in order.

4. We must continue to strengthen party building.

Comrade Zhao Fulin made a speech at the meeting. He called on all levels of cadres to conscientiously study basic Marxist theories. They should persist in the study no matter how busy they are. They should in particular study the Selected Works of Mao Zedong Volumes I to IV to raise their ideological level. Only through studying can they deepen their understanding and arm their minds with revolutionary theories so as to make greater achievements in their work. It is necessary to study Jiang Zemin's speech made at the Beijing rally marking the CPC's 70th founding anniversary to understand the party's history, carry forward the party's fine tradition, heighten our sense of discipline, increase the party's fighting capacity, firm up our faith in socialism, implement the party's line, principles, and policies, and demonstrate the spirit of fighting to win.

It is essential to persist in making economic construction the core of our work. This is a central task for the next six months. What is more, we should never run counter to this central task, let alone interfere with or deviate from this central task. We must keep a firm grasp of this central task without the slightest hesitation. We must lay a sound foundation for the consolidation and development of the socialist system and continue to carry out education on developing productive forces. We should through education strengthen the leading bodies and push forward economic construction, achieving steady development of the economy.

The party committee must give top priority to economic construction but it should not monopolize everything. Its main task is to formulate principles and policies and bring into play enthusiasm of all sectors and promote economic growth through pursuing its policies.

Comrade Zhao Fulin also stressed: It is necessary to really strengthen party building, heighten the party's fighting capacity, and do a good job building up leadership line-ups. All localities must resolutely implement policies laid down by the regional party committee and government. [passage omitted]

Deng Hongxun at Hainan Disaster-Resistance Rally

HK1907134391 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 18 Jul 91

[Excerpts] Yesterday morning [18 July], the provincial party committee and government held a provincial mobilization rally on disaster-resistance and disaster-relief work, which called on the people of the whole province to take immediate action to provide aid to disaster-stricken areas and tide them over disasters.

Deng Hongxun, provincial party committee secretary; Liu Jianfeng, provincial party committee deputy secretary and provincial governor; Dong Fanyuan, provincial party committee standing committee member and provincial discipline inspection commission secretary; Pan Qiongxiong, provincial people's representatives conference vice chairman, Chen Suhou and Wang Xueping, vice provincial governors; and Zhang Jintao, provincial Chinese People's Political Consultative Conference committee vice chairman, attended the rally.

The rally was presided over by Vice Provincial Governor Wang Xueping.

Vice Provincial Governor Chen Suhou first took the floor to give an account of the damages inflicted by the No. 6 Typhoon on our province. He said: This year's No. 6 Typhoon, which was accompanied by strong rainstorms, has caused great damages. The economic losses inflicted on our province by the No. 6 Typhoon have amounted to 510 million yuan. [passage omitted]

Comrade Liu Jianfeng, provincial governor, delivered a mobilization speech on disaster-resistance and disaster-relief work. He laid special emphasis on the following aspects of work:

The whole party and whole people must take immediate action to make every possible endeavor to ensure a complete success of disaster-resistance and disaster-relief work.

Various cities and counties must take disaster-resistance and disaster-relief work as a central task at present, transfer competent leading cadres and office cadres to form disaster-resistance service teams which should go deep into the stricken areas to mobilize and organize the masses to overcome disasters by engaging in production and especially to help them solve grain and housing problems. It is necessary to mobilize the people of all walks of life to provide aid to disaster areas. [passage omitted]

Various departments must unite and coordinate with one another in making unreserved efforts to provide

disaster relief. In particular, various functional departments must support the people in disaster areas in terms of human, material, and financial resources so as to enable them to resume production and rebuild their hometowns. [passage omitted]

Governor Liu Jianfeng called on cadres and party members across the province to stand in the disaster-resistance and disaster-relief forefront and various cities, counties, and departments to conscientiously implement and carry out the spirit of the mobilization rally and carry out disaster-resistance and disaster-relief work in a down-to-earth manner.

In conclusion, on behalf of the provincial party committee and government, Provincial Governor Liu extended warm appreciation to the broad masses of cadres and people in the disaster areas and extended heartfelt thanks to the people of all walks of life in the society who have given their support to the disaster-stricken areas.

Hainan Unfolds United Front Work Examination

HK1907080691 Haikou Hainan People's Radio Network in Mandarin 2300 GMT 17 Jul 91

[Text] In order to further implement and carry out Opinions of CPC Central Committee on Persisting in and Perfecting CPC-led Multiparty Cooperation and Political Consultation System as well as the spirit of the National United Front Work Conference and to develop and expand a patriotic united front in the Hainan Special Economic Region, the Hainan Provincial CPC Committee has recently decided to unfold a province-wide general examination of united front work.

The examination will focus on: The situation concerning the leadership exercised by party organizations at all levels over united front work; the situation concerning the propaganda and education conducted by party organizations at all levels on united front work theories, principles, and policies; the situation concerning the appointment of non-CPC personages to official posts, the implementation of relevant policies toward non-CPC personages, and the building of a reserve contingent of non-CPC cadres; the situation of giving scope to the role played by democratic party personages and public figures without party affiliation in participating in state and political affairs management and discussion, political consultation, democratic supervision, as well as special economic region development and construction; the situation of united front work concerning Taiwan affairs, nationalities affairs, religious affairs, and economic affairs.

The examination will be conducted by means of self-examination coupled with organized examination and supervision with self-examination as the mainstay. Various cities, counties, higher learning institutions, factories, mines, enterprises, and organs directly under the provincial authorities should carry out self-examination from mid to late July. In late August, the provincial party committee will set up and send a joint examination

group formed by its united front work department, organization department, and propaganda department and by the provincial labor and personnel department as well as some other departments concerned to various cities, counties, and units to carry out examination and, on the basis of their examination, put forth views on and measures of further strengthening united front work.

North Region

Inner Mongolia's Bu He at Nadam Festival

SK1607064391 Hohhot Inner Mongolia People's Radio Network in Mandarin 1000 GMT 15 Jul 91

[Text] The Nadam Festival of the Hulun Buir League officially opened this morning on the Chen Barag grasslands. At the opening ceremony, some 100,000 people of various nationalities including guests from home and abroad saw how splendid were the vistas of the grasslands and how wonderful were the traditional Mongolian theatrical and sports performances.

Attending the opening ceremony were Zhu Liang, head of the International Liaison Department under the CPC Central Committee; Yu Wen, member of the National People's Congress Standing Committee and secretary of the party group of the Chinese Academy of Social Sciences; Jiang Jiafu, vice minister of the State Nationalities Affairs Commission; Bu He and Hao Xiushan, party and government leaders of the Inner Mongolia Autonomous Region; and responsible persons of pertinent departments, commissions, offices, general offices, and bureaus of the state and the region. Also attending the opening ceremony were Soviet and Mongolian delegations which had come to China to participate in the activities of the economic and trade symposium; foreign guests from Japan, the DPRK, Singapore, Hong Kong, Macao, and Taiwan; and guests from Beijing, Wuhan, and Shandong.

At the opening ceremony, on behalf of various major departments of the region, Bu He, deputy secretary of the regional party committee and chairman of the region, extended congratulations on the Nadam Festival of the Hulun Buir League. He said: Over the past three years, the economic reform experimental zone of Hulun Buir League has embarked on the road of opening rapidly to domestic areas and the outside world, developing natural resources, and invigorating the economy by applying scientific and technological findings. Thanks to the concerted efforts of the people of all nationalities, the league as a whole has witnessed a gratifying scene of political stability, brisk economy, national unity, improved living standards, and rapid and vigorous development of all undertakings. He expressed hope that at the present stage of construction, Hulun Buir League would create new levels, strive for large-scale development, and achieve even greater results.

At today's opening ceremony, the audience from various circles feasted their eyes on the varied and colorful theatrical and sports performances staged by the people of Daur, Ewenki, Oroqen, and Mongolian nationalities and on the kite-flying performed by Shandong's Weifang delegation.

Inner Mongolia First-Half Economic Figures

SK1707090391 Hohhot Inner Mongolia People's Radio Network in Mandarin 1000 GMT 16 Jul 91

[Text] This morning, the regional Statistic Bureau held a news conference, during which Chen Yuantao, director of the regional Statistic Bureau, announced that during the first half of this year, our region achieved progress in economic improvement and rectification in all sectors and that the working environment improved, the overall social supply and demands was basically balanced, and the national economy rebounded comprehensively.

Chen Yuantao said: During the first half of this year, judging from the overall situation, our region's economic situation was developing towards a good trend. The following were the main characteristics: The economic environment improved, the total social supply and demand was basically balanced and was developing towards a direction favorable for invigorating production and the market. The agricultural and animal husbandry production situation was good. Judging from agricultural production, the sowing acreage increased comprehensively, the quality of sowing was better than that of last year, and the growing situation of most wheat fields in the region was good. A bumper harvest is expected. It is a foregone conclusion that we will reap a bumper harvest on 2.31 million mu of wheat fields in the Hetao area. The growth of seedlings of major autumn crops such as corn and beets was fairly good. It is expected that, if no serious natural disasters occur in the next three months, a bumper harvest will be reaped this year. Judging from animal husbandry production, we will reap a bumper harvest this year. This is the fifth bumper harvest year in succession since 1987. According to the initial tabulation of livestock data from a general survey, by the end of June, the whole region's total number of livestock, including hogs, reached 55.3 million head or so, up 5.4 percent over the same period of last year. Of this, the number of sheep exceeded 40 million head for the first time. This indicated that our region's animal husbandry has entered a new stage again. Industrial production increased continuously. During the first half of this year, the total industrial output value of industrial units at and above the township level reached 13.022 billion yuan, up 3.83 percent over the same period of last year. Of this, the industrial output value of state-owned enterprises increased 4.22 percent, and that of large and medium-sized enterprises, 4.78 percent, all surpassing the growth of total industrial output value of the whole region. The light industrial output value increased 4.58 percent, which was obviously quicker than the growth of heavy industry. The urban and rural market sales were stable and the net buy-in of commercial departments continued to

increase. In the first half of the year, the social retail sales of the whole region totaled 7.593 billion yuan, an increase of 10.16 percent over the same period of last year. This growth rate had already approached the level of normal years. The urban and rural market sales rebounded and the domestic net buy-in of the commercial departments also rose, showing an increase of 7.07 percent over the same period of last year. Of this, the buy-in of agricultural and sideline products increased 8.47 percent.

The imports and exports of the foreign trade increased. During the first half of this year, the total volume of imports and exports reached \$225 million, an increase of 10.68 percent over the same period of last year. The progress of capital construction was quite rapid. The number of newly initiated projects increased. During the first half of this year, the region's completed investment in the capital construction of state-owned units totaled 1.39 billion yuan, an increase of 28.31 percent over the same period of last year. The whole region initiated 254 new construction projects, an increase of 72.79 percent. The market commodity prices were stable. During the first half of this year, the region's total retail price index of commodities rose by 3.2 percent. The growth range declined by 1.6 percentage point from that of the same period of last year. The price index of consumer goods declined from that of the same period of last year after experiencing vast increases. This played an active role in stabilizing the market and reassuring the people.

Financial revenues increased and the scope of credit expanded. During the first half of this year, the region's financial revenue increased 10.38 percent over the same period of last year. All sorts of bank savings increased 27.5 percent over the same period of last year. Of this, the savings deposits of the urban and rural residents increased 32.69 percent over the same period of last year. All sorts of loans increased 26.32 percent over the same period of last year.

Comrade Chen Yuantao said: At present, although our region's economic state is better than that of last year, the situation facing us has remained very severe. The slow economic growth, the imbalanced relations in the economic sectors, the irrational structures, the low efficiency and the difficult financial situation have not yet been obviously improved. Particularly, the overstocked finished goods of the past years, the serious debt chains of enterprises and the difficulties in the purchase of farm and sideline products have become our region's heavy burdens in economic development, affecting the normal economic circulation. We still have to exert strenuous efforts to make the national economy enter a well-rounded cycle.

Inner Mongolia Experiences Localized Flooding

SK1807151091 Hohhot Inner Mongolia People's Radio Network in Mandarin 1000 GMT 17 Jul 91

[Text] Since late June, Morin Dawa Daur Autonomous Banner, Arun Banner, and Zalantun City in Hulun Buir

League have experienced heavy rains in succession. As a result, rivers have risen, and some localities have been hit by floods. According to statistics, as of mid-July, 50 villages in the above-mentioned banners and city sustained losses, some 250 houses collapsed; nearly 10,000 mu of farmland was inundated; some roads, bridges and culverts, and highway sections were destroyed by floods; and traffic and communications services were affected.

In the face of such disasters, the party committee of Hulun Buir League and the above-mentioned banners and city have all dispatched work groups, headed by the principal leaders, to the forefront of the disaster areas to organize the people to combat and tide over disasters, and to organize the masses to prepare for preventing serious floods and other natural disasters in the coming few days.

Northwest Region

Gansu's Gu Jinchi on Improving Work Style

HK1807022291 Lanzhou Gansu People's Radio Network in Mandarin 2200 GMT 13 Jul 91

[Text] Yesterday afternoon [13 July], Gu Jinchi, provincial party committee secretary, addressed a meeting of cadres at and above section level from various departments and commissions under the provincial party committee. He pointed out: Rectifying and improving the style of our organs has an important bearing on our party's prestige among the broad masses of the people. Thus, this work must start with the leaders, proceed from higher levels to lower levels, and be carried out at all levels. We must work hard and strive to bring about a notable improvement in the style of our organs in the second half of this year.

Lu Kejian, provincial party committee deputy secretary, gave an account of a democratic meeting held by provincial party committee standing committee members in the first 10 days of July. The democratic meeting mainly discussed the following two questions:

1. The question of building a clean government;
2. The question of implementing the spirit of the central authorities, improving style, and strengthening implementation work.

Yan Haiwang, provincial party committee deputy secretary, also delivered a speech on rectifying and improving the style of provincial party committee organs. He said: The provincial party committee is the core of leadership over all types of undertakings in the whole province. Its organs are thereby the central leading organs in the whole province. Such a position inevitably sets high requirements on the style-building work carried out by provincial party committee organs. Thus all functionaries of the provincial party committee organs must further heighten their understanding, be strict with themselves, set a good example, and make concerted efforts to enable the provincial party committee organs

to set a good example for the whole province by displaying a lofty mental attitude and a fine work style and to influence and guide leading organs at all levels to transform their own style.

Yin Kesheng at Qinghai Party Committee Plenum

HK1807151091 Xining Qinghai People's Radio Network in Mandarin 2200 GMT 17 Jul 91

[Text] The Seventh Plenary Session of the Seventh Qinghai Provincial CPC Committee began in Xining yesterday morning [17 July].

The main task of the session is to discuss and adopt proposals of the Qinghai Provincial CPC Committee on formulating the 10-Year National Economic and Social Development Program and Eighth Five-Year Plan.

Yin Kesheng, Tian Chengping, Jin Jipeng, (Tang Zhenren), and Doba attended the session.

Sang Jiebiao presided over the first plenary meeting.

Entrusted by the provincial party committee, Jin Jipeng, provincial party committee deputy secretary and provincial governor, delivered a speech explaining the committee's proposals on the formulation of the 10-Year Program and the Eighth Five-year Plan. He said: The proposals submitted by the provincial party committee to the current session for discussion have sufficiently drawn upon the wisdom and experiences of all quarters. The process of formulating the proposals can be taken as a process of developing democracy to the full and adhering to the mass line. The formulation and implementation of the proposals will undoubtedly play an important role in mobilizing and encouraging the people of all nationalities across the province to brace up, work with one heart and one mind, and strive to push ahead with a sustained development of our province's national economy and various undertakings and successfully attain the second-stage strategic goal.

Comrade Jin Jipeng's explanatory speech was divided into the following seven parts:

The starting point of the 10-Year Program and Eighth Five-Year Plan;

The main goals to be attained in the next 10 years;

The basic principle guiding the 10-Year Program and the Eighth Five-Year Plan;

The key points of economic construction in the next 10 years;

The question of science, technology, and education development;

The question of in-depth reform and expanded opening up;

The question of socialist spiritual civilization building.

Jin Jipeng said: We are confronted with arduous and glorious national economic and social development tasks

in the next 10 years. Successfully fulfilling the 10-Year Program and the Eighth Five-Year Plan is a glorious mission entrusted to us by the times. We must unwaveringly adhere to the party's basic line, further strengthen solidarity among the people of all nationalities across the province, continue to develop the fine tradition of self-reliance and hard work, overcome difficulties on our way forward in a tenacious and indomitable spirit, and strive to attain the second-stage strategic goal.

A total of 25 provincial party committee members and eight alternate members attended the meeting. A total of 192 people attended the meeting as non-voting delegates. They included: Provincial advisory committee members, provincial discipline inspection commission members, provincial people's congress standing committee vice chairmen who are party members, provincial vice governors, provincial Chinese People's Political Consultative Conference committee vice chairmen who are party members, autonomous prefectural, prefectural, city, and county party committee secretaries, autonomous prefectural administrative office commissioners, prefectural administrative office commissioners, responsible comrades of various provincial party committee departments, responsible comrades of the party committees and leading party groups of various units directly under the provincial authorities, and responsible comrades of the party committees and leading party groups of enterprises at autonomous prefectural or prefectural level, higher learning institutions, and scientific research institutions.

Song Hanliang Addresses Xinjiang S&T Congress

OW1907023291 Urumqi Xinjiang Television Network in Mandarin 1555 GMT 17 Jul 91

[From the "Xinjiang News" program]

[Text] The Fourth Congress of the Xinjiang Association for Science and Technology opened ceremoniously at the Xinjiang People's Hall yesterday afternoon.

On the agenda of the congress are: Hearing and examining the work report submitted by the third committee of the association, revising the association's charter, electing members to the fourth committee of the association, and commending model workers of the association and winners of awards for outstanding science and technology [S&T] proposals.

Present at the meeting were Song Hanliang, Janabil, Li Shoushan, Amudun Niyaz, Zhang Fusun, Zhou Shengtao, Zhou Guofu, and other leading comrades of Xinjiang, and over 500 representatives from S&T fronts in various parts of Xinjiang. [video shows Xinjiang leaders when their names are announced]

Gao Zhenning, vice chairman of the China Association for Science and Technology [CAST], made a special trip to Xinjiang to attend the meeting. He also gave a speech at the meeting.

Song Hanliang, secretary of the Xinjiang Regional Party Committee, addressed the meeting. He congratulated the congress on behalf of the regional party committee and the regional people's government. He said: In today's world, S&T is expediting the progress of mankind and society with a scale and speed we have never seen before. S&T has become the most active ingredient and the greatest force in modern production. Rejuvenating the economy through S&T advancement has become one salient feature of this age. As S&T is developing in great speed in the 1990s, whether Xinjiang's economic development can proceed in full swing, whether its economy can become stronger, and whether Xinjiang can achieve its second-step strategic objective rest largely with whether people in Xinjiang can uphold the thinking that science is the first productive force and take the quickest steps possible to put economic construction on the track of counting on S&T advancement and improving workers' competence. This current congress must fully implement the four major guidelines set by CAST and the guidelines set by Comrade Jiang Zemin in his important speech at the congress of the association. This congress must also set forth its future missions. This is very important for accomplishing Xinjiang's 10-Year Program and the Eighth Five-Year Plan. [video shows close-ups of Song speaking]

On Xinjiang's S&T work, Song Hanliang set forth several requirements. He said: First, we must fully understand that S&T is the first productive force and heighten our sense of urgency to study S&T. Second, we must speed up S&T advancement so as to accelerate Xinjiang's economic construction. Third, we must continue to restructure the management of S&T, and establish a new system and new operating mechanisms that can closely integrate Xinjiang's economic construction with S&T. Fourth, we must provide stronger leadership and create a good environment and good conditions for S&T development.

Song Hanliang concluded: Developing and building Xinjiang, rejuvenating Xinjiang's economic growth, and achieving the four modernizations in Xinjiang are the common aspirations, and the basic interests, of people of all nationalities in Xinjiang; they are also the longstanding objectives of scientists and technologists of all nationalities. Scientists and technologists of all nationalities in Xinjiang must unite, heighten their morale, and work hard to achieve the second strategical goal of Xinjiang.

Representing Xinjiang Chairman Tomur Dawamat, Vice Chairman Yusufu Muhanmode gave a speech entitled: Heighten Our Awareness of S&T and Heighten the Scientific and Educational Proficiency of People of All Nationalities in Xinjiang. He said: Improving the competence of workers of all nationalities and developing S&T are common causes for the whole party and the whole nation. People in Xinjiang must heighten their awareness of S&T, acquire S&T knowledge, and get involved in S&T work. Once we have learned S&T, it will become a great force giving impetus to Xinjiang's social productivity.

Abasi Barhan, chairman of the Xinjiang Association for Science and Technology, gave the work report on behalf of the third committee of the association.

Among the attendees yesterday were leading members of S&T associations of Guangxi, Inner Mongolia, Shaanxi, Gansu, Qinghai, and Ningxia; and leading comrades of relevant departments, committees, offices, bureaus, and mass organizations in Xinjiang.

At Flood Support Meeting

OW1907023191 Urumqi Xinjiang Television Network in Mandarin 1555 GMT 17 Jul 91

[From the "Xinjiang News" program]

[Text] People of all nationalities in Xinjiang are greatly concerned with serious flooding in some provinces and regions in inland China. This morning, members of the Xinjiang Regional Party Committee Standing Committee and leading comrades of the regional people's government earnestly studied reports on CPC Central Committee Political Bureau leaders hearing about flood situations and planning the fight against floods, and discussed the five requirements set forth by the Political Bureau. [video shows a conference room with about a dozen attendees gathering around a conference table, cutting to show close-up shots of Xinjiang Party Committee Secretary Song Hanliang and Xinjiang Government Chairman Tomur Dawamat, and random shots of other Xinjiang leaders]

The regional party committee and the people's government called on people of all nationalities to take the whole country into account, foster the spirit of mutual help, and provide material and financial support to people in flood-stricken areas to battle flooding. They also called on all trades and professions in Xinjiang to do their jobs well and contribute to the fight against flooding.

The regional party committee and the people's government have decided that, on the basis of having delivered to Anhui 500 tonnes of gasoline, 500 tonnes of diesel oil, 20,000 dan of cotton, and 129 tents, they will donate 2 million yuan to flood-stricken areas. They also called on all social circles, enterprises, mass organizations, and people of all nationalities to donate money and goods to help people in flood-stricken areas. They have also decided to set up a regional office of the Department of Civil Affairs, headed by Keyum Bawudun, member of the regional party committee standing committee and vice chairman of the regional people's government, to take charge of donations. They also called on people throughout Xinjiang to display the spirit of self-reliance and win a complete victory against drought in Xinjiang and do a better job in all fields so as to achieve bumper agricultural production and animal husbandry for the 14th consecutive year and give disaster-stricken areas actual support.

Song Hanliang, Tomur Dawamat, and other leading comrades said: China is a socialist country led by the

CPC. When one part of the country has problems, all other parts will come to its aid. This has always been one of our fine traditions and an embodiment of the superiority of our socialist system. This year Xinjiang has encountered a drought with a magnitude rarely seen in many years, and the CPC Central Committee and the State Council have shown us their great support and given us enormous assistance. Now some provinces and regions in the country have encountered even more serious disasters than that of Xinjiang, people of all

nationalities in Xinjiang must do their utmost to support the stricken areas. We should deal with our drought problems by displaying the spirit of self-reliance.

Song Hanliang, Tomur Dawamat, members of the regional party committee standing committee, and vice chairmen of the people's government expressed their regards to the people in flood-stricken areas by donating money at the meeting.

Commentary on Taiwan 'Dual Recognition' Ploy

*OW1807122891 Beijing XINHUA Domestic Service
in Chinese 0901 GMT 18 Jul 91*

[“XINHUA Commentary: Advocating ‘Two Chinas’ is the Real Intention of the Taiwan Authorities’ ‘Readiness to Accept Dual Recognition’”—XINHUA headline]

[Text] Beijing, 18 Jul (XINHUA)—The media on Taiwan recently strongly questioned the Taiwan authorities for their claim in the political advertisement published in the 8 July edition of the NEW YORK TIMES. The media says that, by saying that “Taiwan is willing to accept temporary dual recognition,” the Taiwan authorities have gone against the “one-China stand.”

According to newspapers on Taiwan, when they were questioned by journalists, the “Government Information Office” officials, who were responsible for preparing and examining the advertisement, said that “dual recognition is a statement of fact,” which “did not exceed government policy.” Taiwan’s “Ministry of Foreign Affairs,” which provided the idea of running the advertisement, complained about the “negligence” of the “Government Information Office,” and stated, in particular, that dual recognition is something “that can only be done, not talked about.”

In recent months, Taiwan authorities have been going all out to launch what they call a “diplomatic offensive.” They have spent money on some countries to woo them to “establish or reestablish diplomatic relations” with Taiwan, frequently accepted the interviews by foreign media, done everything possible to build the image of the so-called “Republic of China,” advertised their so-called “Taiwan experiences,” and done their utmost to advocate “one country, two regions, and two political entities.” Now they have even run an advertisement in a U.S. newspaper to peddle their “pragmatic” “dual recognition.” Recently, some high-ranking party and political personnel on Taiwan have also time and again said things to promote national division. A “national policy advisor,” for example, declared that “it is a fact that the two sides of the strait are two parts and two different political entities of a divided country,” and “Taiwan should join all international organizations, including the UN.” A Kuomintang “legislator” even stated: “This is exactly what we will do: We will create the identities of ‘two Chinas’ in the world. In fact, the policy the government now follows is the two-China policy.”

These and other indications show that certain high-ranking party and political personnel, while verbally proclaiming that there is but one China and China will be reunified, are actually advocating “two Chinas,” or “one China, one Taiwan.” The current storm about the advertisement shows that the open remarks of the “Government Information Office,” and the do-but-not-talk policy of the “Ministry of Foreign Affairs,” have both betrayed the real intention of Taiwan’s “pragmatic diplomacy”—namely, seeking international “dual recognition,” and creating “two Chinas,” or “one China, one Taiwan.”

The fact that people on Taiwan have strongly questioned and criticized the conduct of certain high-ranking party and political leaders on Taiwan shows that the vast public on Taiwan are eager for peaceful reunification of the motherland, and that they are firmly against “two Chinas,” or “one China, one Taiwan.” Many people with foresight on Taiwan have pointed out that “the course of Taiwan’s political development is now at a crossroad of the gravest nature,” and that, “seen from the macroscopic historical perspective, it is entirely impossible for Taiwan to separate itself from China.” The Taiwan authorities should cold-headedly ponder these views of the people!”

Commentary Calls for Direct KMT-CPC Talks

*HK1807080791 Beijing ZHONGGUO XINWEN SHE
in Chinese 0653 GMT 15 Jul 91*

[Commentary by staff reporter Wang Jie (3769 2212): “Holding Consultations Between Kuomintang and CPC Represents Trend of Times”—ZHONGGUO XINWEN SHE headline]

[Text] Hong Kong, 15 Jul (ZHONGGUO XINWEN SHE)—There have been increasing appeals on the island for consultations between the Kuomintang [KMT] and the CPC. Unquestionably, this is a gratifying situation.

Over the last few years, unofficial or semiofficial “talks” have been conducted between both sides. Examples are talks on direct air links, talks on the Jinmen issue, talks on the three Taiwan policemen being detained by the mainland, and the two visits to the mainland by the Taiwan Straits Exchange Foundation. There are more examples of seminars, consultations, and exchanges between academics and entrepreneurs from both sides. Although these cannot produce the results of formal “negotiations,” who can deny that they are useful for exchanging information, relaxing the situation, exchanging views, and bringing the two sides closer?

Now there are increasing demands on the island for “KMT-CPC talks.” This is a choice made on the basis of summing up experiences in “talks” between both sides for the last few years and by taking account of the development prospects for both sides. But the KMT regards KMT-CPC talks as something “dangerous” and as a “trap.” The KMT fears such talks, refuses such talks, and has made it difficult to hold such talks.

Viewed from the realities on both sides, holding KMT-CPC talks with participation by other political parties and personages to discuss the great cause of reunification is the best choice.

In the present-day world, “negotiation” is unquestionably a trend by which bilateral conflicts are resolved. A major Taiwan newspaper published an article several days ago pointing out that “planned ‘talks’ are better than stubborn isolation after all,” adding that “since this is the era of ‘negotiation,’ everyone should bravely move toward this era.” These comments are quite reasonable.

However, sincerity is the key to holding negotiations. Without sincerity, negotiations will come to naught.

Commentary on SFF Visit, Cross-Strait Problems

HK1907013191 Beijing ZHONGGUO XINWEN SHE
in Chinese 1125 GMT 14 Jul 91

[Commentary by ZHONGGUO XINWEN SHE reporter Guo Weifeng (6753 0251 1496): "From Taiwan 'Straits Exchange Foundation' Delegation's Mainland Visit, View Problems Urgently Awaiting Solution in Course of Cross-Strait Contacts"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 14 Jul (ZHONGGUO XINWEN SHE)—The Taiwan "Straits Exchange Foundation" delegation's visit to the mainland was rewarded to a certain extent, strengthened cross-strait ties, reached consensus or expressed preliminary intention on certain specific matters, and came to understand many problems that urgently await solution in the course of cross-strait contacts. In sum, there are eight large and difficult problems, which the "Straits Exchange Foundation" delegation was especially required to bring back to Taiwan and submit to the authorities for prompt study. The mainland looks forward to the cooperative solution of these problems.

The eight large and difficult problems are:

1. Over-elaborate procedure and infringement of interests brought about by Taiwan businessmen's indirect investment in the mainland.
2. The mainland steps up cracking down on marine smuggling activities and expects Taiwan coordination.
3. Illegal immigration gangsters on the two sides of the strait colluding with each other to induce mainland people to Taiwan.
4. Robbery at sea.
5. Unlawful and criminal activities carried out by Taiwan illegal society elements on the mainland and of Taiwan police cooperation urgently needed by the mainland.
6. Troops stationed in Jinmen and Mazu arrest, detain, and shoot at mainland fishermen without a cause.
7. Taiwan compatriots who have been held up on the mainland returning to Taiwan.
8. Cross-strait tourist disputes.

The abovementioned problems are difficult ones because close cross-strait coordination is needed before they can be properly solved. For example, the problems of smuggling and robbery on the sea can hardly be solved without the close coordination of the police of the two sides of the strait. For example, if the Taiwan police does not provide the mainland police with the data of the illegal society elements entering the mainland, it will be even more difficult to check these illegal social elements' criminal activities. Mutual cooperation and common

actions of the police of the two sides of the strait are, in fact, by no means difficult. It is difficult because the Taiwan authorities do not vigorously deal with these increasingly knotty problems, thus making the solution of the problems extremely difficult.

While the officials of the governments of Guangdong Province, Guangzhou City, Fujian Province, Fuzhou City, Xiamen City, and Shanghai Municipality were meeting the "Straits Exchange Foundation" delegation, they put forth some specific feasible proposals and hoped that the "Straits Exchange Foundation" would pass on to the parties concerned of Taiwan and that the problems would be solved as soon as possible. Moreover, we must note that the officials of all provinces and cities and the municipality have pointed out that direct links for postal, trade, and air and shipping services and two-way exchanges are really a good way to solve the difficult problems.

Nevertheless, judging from the attitude of the Taiwan authorities, they still stick to the "three no's policy" of no contact, no talks, no compromise. Therefore, which of the difficult problems brought back by the "Straits Exchange Foundation" visiting delegation can be quickly solved is a big question, indeed! However, in the wake of the rapid development of cross-strait relations, problems arising therefrom will surely gradually increase. If the two sides of the strait do not fully cooperate with each other and promptly solve them, it will greatly infringe upon the interests of the people of the two sides of the strait. Each of the abovementioned eight problems will infringe upon the interests of the people of the two sides of the strait, and there is absolutely no such statement that the mainland suffers losses but Taiwan reaps profits.

Public opinion in Taiwan has recently said that in this trip, the "Straits Exchange Foundation" delegation only hoped to investigate the situation in economy, trade, tourism, and enterprises run with Taiwan capital but the mainland turned this trip into the "political" direction. Which one of the abovementioned eight big problems does not involve economy, trade, and tourism? Taiwan troops shot dead mainland fishermen. Could it not be harmful to cross-strait fishery? What benefit does the cross-strait tourism gain from rampant smuggling activities? Cannot illegal social elements here and there be harmful to cross-strait tourism? Even if these were political matters, it is useful to conduct discussion. What harm is there discussing them?

Direct links for postal, trade, and air and shipping services and two-way exchanges are the urgent demands of the people of the two sides of the strait as well as the feasible and most effective method and measures to solve the questions and difficult problems arising in the course of the present and future contacts between the two sides of the strait. However, the Taiwan authorities evade and reject them. If it goes on like this, difficult problems in cross-strait relations will become more and more. This will cause the Chinese people at home and abroad to be concerned and worried.

EXPRESS NEWS Editorial on MFN Issue

*OW1807212591 Taipei CNA in English 1410 GMT
18 Jul 91*

[Text] Taipei July 18 (CNA)—The following editorial appeared in Thursday's EXPRESS NEWS, a daily newspaper published by the CENTRAL NEWS AGENCY.

Most-Favored-Nation Status

There is a political tug of war raging between the White House and the Capitol over whether the United States should again grant mainland China most-favored-nation status with or without conditions. President George Bush wants to renew Peking's favorable trade status without any strings attached. Both chambers of Congress, on the other hand, insist that the renewal should be conditional.

Mr. Bush started the first round of the tug of war at the end of last month by renewing most-favored-nation status for Peking without conditions. The status, which confers the lowest possible tariffs on imports into the United States, was first granted Peking in 1980 and is subject to annual renewal.

The second round is just over. The House of Representatives handed Mr. Bush a defeat last week. Voting 313-112, well in excess of the two-thirds majority required to override a certain presidential veto, to impose strict new conditions. The legislation, which now goes to the Senate, would allow the president to give an extension of most-favored-nation status to Peking this year but would require progress on human rights, restraint on weapons proliferation and moderation in mainland China's opposition to Taiwan's entry into the General Agreement on Tariffs and Trade before allowing renewal next year.

The third round will take place shortly. The Senate will act on the House bill before the end of this month, and Mr. Bush hopes to recover the lost ground. He may not stop the upper chamber from passing the legislation but is trying to reduce the expected vote for passage to less than a two-thirds majority. If he succeeds, he will be able to confidently veto the legislation when it comes up for him to sign and make that veto stand.

Indications are that Mr. Bush will win out in the end. His may be a pyrrhic victory, however.

It is a sovereign right of a country to confer most-favored-nation status on another. The United States is absolutely free to renew or cut off that special status for mainland China. Mr. Bush, in the face of opposition from Peking to setting conditions on the renewal, has opted to fight for a carte blanche continuation of the favorable treatment.

Time was when the West wrested most-favored-nation status from China, literally at gunpoint following the Opium War of 1839-42. Peking is now turning the tables on Washington, threatening to retaliate if the United States does not renew its most-favored-nation status without

conditions. And that threat has cowed the Bush administration into slugging it out with Capitol Hill.

Congress has every right to demand that most-favored-nation status be renewed for Peking with conditions. As a matter of fact, all the conditions aim at nudging mainland China on its way to a free, open society. Senators and congressmen know the United States and mainland China will be much better off, if these conditions are met.

Mr. Bush does not have to squander whatever congressional support he may muster in order [words indistinct] his tug of war with the lawmakers. Deng Xiaoping may retaliate against Vietnam. But Peking cannot make good its threat against the United States. Peking needs Washington more than Washington needs Peking.

More on Results of SEF Mainland Visit

*OW1807133091 Taipei CHUNG KUO SHIH PAO
in Chinese 15 Jul 91 p 4*

[Dispatch by special correspondent Wu Nan-shan from Shanghai on 14 July]

[Text] The second Straits Exchange Foundation [SEF] delegation to Mainland China wrapped up its entire formal visit after holding talks with the Shanghai Putung [Pudong] Development and Investment Committee this afternoon. SEF Deputy Secretary General Shih Chi-ping said: The visit is quite successful. The mainland cooperated in the most sincere manner. Future communications channels between the two sides have been generally established. This will greatly help promote cross-strait communications and development in the future.

From the outset, the SEF has stressed the establishment of bilateral communications channels as the primary goal of its mainland trip, as well as plans to hold discussions on economic, trade, and tourism issues. Shih Chi-ping said: The above-mentioned goals have been accomplished. The two sides have agreed in principle to set up a "hot line for robbery prevention" as part of a joint attack against crime. Hence, the trip can be described as quite successful.

Shih Chi-ping added: Most of the local Communist Chinese cadres we met during the trip are very outstanding, highly professional, and full of confidence. Relevant departments of our government should heed this fact.

Shih Chi-ping said emphatically: During the trip, we established the framework of communications channels for bilateral economic exchanges, trade, and tourism, so as to open channels for contact and coordination to deal with any problems or contingencies in the future. Through formal and informal talks with local businessmen from Taiwan, we gained a general understanding of the needs of Taiwan businessmen. This understanding will serve as an important reference when our government formulates economic and trade policy toward Mainland China in the future.

Apart from performing the above-mentioned functions, the SEF also reached consensus on the following specific issues with Mainland China during its trip:

—Cross-strait economic relations and trade: We agreed to respect each other's stance and to solve problems through joint cooperation. Mainland China promised to formally establish legitimate federations in areas where Taiwan investment is concentrated.

—Tourism: The two sides agreed in principle to open a "hot line for travel accidents" and to create organizations for settling civilian travel disputes. Taiwan compatriots will be compelled to buy accident insurance policies when traveling to the mainland, and efforts will be made to ensure the quality of mainland-bound travel by Taiwan compatriots.

—Crime: The two sides agreed in principle to establish a "hot line for robbery prevention," so that their public security agencies will be able to strengthen contact and furnish each other with the necessary information in their efforts to intensify attacks on crime and prevent smuggling and illegal immigration.

Shih Chi-ping said: After generally accomplishing the goals of this visit, the SEF will continue to make future trips to Mainland China in order to consult with relevant units there. The scale (the number of people and the itinerary) of such trips will not be very large. However, the trips will be different if the foundation is commissioned by the government to sign pertinent agreements.

The SEF delegation is scheduled to leave Shanghai by plane for Hong Kong on the afternoon of 15 July. In Hong Kong, it will catch a China Airlines flight to Taiwan, where it is expected to arrive around 2030 the same day.

Further Aid Arranged for Mainland Flood Victims

*OW1907094791 Taipei CNA in English 0902 GMT
19 Jul 91*

[Text] Taipei, July 19 (CNA)—The Free China Relief Association (FCRA) decided Thursday to ship 15,000 metric tons of rice and 30 freight containers of flour to the China mainland within two weeks for the relief of flood victims there.

FCRA said that the rice, supplied by the Taiwan Provincial Food Bureau and the Republic of China [ROC] Red Cross Society, and the flour, provided by the Taiwan Flour Mills Association, will be shipped by foreign registered vessels to the mainland via Hong Kong.

FCRA Secretary-general Chang Wei said the mainland-bound rice worth 140 million nt dls is of high quality and had, in part, been bought by the ROC Red Cross Society with public donations.

Medical supplies will be delivered by air to Hong Kong and then to the mainland, and private donations of food, clothes, and construction materials will be sent to the mainland by container ships, FCRA explained.

ROC Red Cross Society Secretary-general C.V. Chen said his society will soon send personnel to the mainland to gain a better understanding of the latest flood situation. Chen said the society has received donations totaling 76.98 million NT [new Taiwan] dollars before Thursday.

Mainland To Cut Diplomatic Ties With CAR

*OW1907082991 Taipei CNA in English 0747 GMT
19 Jul 91*

[Text] Taipei, 19 Jul (CNA): Communist China announced Thursday that it planned to break diplomatic ties with the Central African Republic [CAR] which established official ties with the Republic of China July 8.

Foreign Ministry officials here said they were not surprised at the announcement coming almost two weeks after the African country set up diplomatic ties with Taipei since Peking's Premier Li Peng was visiting foreign countries and the Peking leadership was busy with flood rehabilitation work during the period.

The officials said the Foreign Ministry will send staff members to the Central African Republic July 27 to prepare for the opening of the Republic of China embassy there.

Taipei has agreed to offer "special purpose" loans to the Central African Republic and to provide technical assistance to help the African nation with its cement and sugar production.

Government To Offer USSR Economic Aid

*OW1907082191 Taipei CNA in English 0740 GMT
19 Jul 91*

[Text] Taipei, July 19 (CNA)—The Republic of China [ROC] will offer the Soviet Union economic and financial aid through the World Bank and the Asian Development Bank, economic affairs minister Vincent Siew said Thursday.

Siew's statement came after the leaders of the Group of Seven (G-7) industrial countries announced at the end of their annual summit in London Wednesday that they will help the Soviet Union transform its centrally-planned economy into a market economy.

In line with its growing weight in world trade, Siew said, the Republic of China should extend a helping hand to the Soviets.

To reduce risks, the minister said, the country plans to join Soviet aid programs sponsored by the Washington-based World Bank and the Manila-based Asian Development Bank.

Siew continued that the aid for the Soviet Union will be channeled through the government's overseas economic cooperation development fund.

The fund was established in 1988 to help friendly countries develop their economies. The Soviet Union

and other East European countries were added last year to the list of countries eligible for assistance. The government has already appropriated 400 million U.S. dollars for the fund which will eventually have a capital of one billion U.S. dollars.

Trade With Eastern Europe Increases

*OW1807113691 Taipei CNA in English 0838 GMT
18 Jul 91*

[Text] Taipei, July 18 (CNA)— Bilateral trade between Taiwan and Eastern Europe has been growing at an average rate of 64 percent annually since 1984, and there is great room for further expansion. Liu Ting-tsui, secretary general of the China External Trade Development Council (CETRA), reported.

The figure was 72 million U.S. dollars in 1984, and shot up to 516 million U.S. dollars in 1990.

Export categories exceeding 20 million U.S. dollars to Eastern Europe included electronic parts, color TV remote control devices, plastic products, machinery parts, sewing machines, and computer terminals while steel plate and other semi-finished steel products, glass, jewelry, and chemicals were the main imports from that part of the world, Liu stated.

Speaking at a seminar on Republic of China foreign trade strategies, Liu said that Taiwan has made great efforts to expand its East European markets since the countries in that region abandoned communism and moved toward becoming democracies. But, such problems as remittances, telecommunications, and air links still needed to be resolved in order to strengthen bilateral trade after forty years of separation, Liu said.

He urged local manufacturers to work harder to develop this immense potential market which, he predicted, will become a battlefield for several Asian newly-industrialized countries.

Captive Nations Conference Ends in Los Angeles

*OW1807212491 Taipei CNA in English 1519 GMT
18 Jul 91*

[Text] Los Angeles, July 17 (CNA)—The 1991 Captive Nations Week Conference, with the theme "The Expanding Frontiers of World Freedom," ended Wednesday after two days of discussions on the problems of the new world order.

Chao Tze-chi, President of the Republic of China [ROC] chapter of the World League for Freedom and Democracy (WLFD), said in his closing remarks that "we have added trusty companions along the way as we advance toward victory in the fight for human freedom."

Penetrating analyses have been made of the current situation in Asia, Eastern Europe and the Soviet Union, particularly with regard to the decline of communist rule, and of the strong growth of the United States

among the forces for freedom and the responsibilities it bears in the new world order, he said.

"I am sure the results will have a broad and lasting effect on advancing the Captive Nations Week movement and the movement for democracy around the world," Chao pointed out.

Earlier in the day, participants discussed the topic "The United States and the New World Order" [words indistinct] chaired by President Larry Arnn of the Claremont Institute, which co-sponsored the conference with the WLFD ROC chapter.

In his paper "The US Role in Asian-Pacific Region by the Turn of the Century" presented at the meeting, President Tsu Sung-chiu of the Chinese Press Institute said in the remaining years of the 20th century, the United States is expected and is likely:

To keep playing the lead role in regional cooperation among the Asian-Pacific countries.

—To continue to play the role of the upholder of international righteousness, as it did in the Persian Gulf War.

—To become the main market for the products of those newly industrialized Asian-Pacific countries.

—To be one of the few biggest exporters of agricultural products, industrial manufactures, oil, and advanced science and technology.

—To become the host country of even more international enterprises in accordance with the US national interest and for worldwide benefit.

—To exert its positive influence on the issue of China's reunification. Since the demands for political democratization and economic liberalization have become a world-wide trend, the Chinese mainland, as a major communist society in Asia, can hardly refrain.

"The most urgent problems for the Chinese mainland at present is deciding how to reach the goal of political democratization and economic liberalization as quickly as possible," Tsu continued.

In this respect, he added, the United States has indeed accumulated a great deal of experience and achievement.

"Such precious experience and achievement was repeatedly exhibited to the Chinese Communist regime in Peking in various ways during the Carter and Reagan administrations and has already exerted a certain amount of substantial influence on that society," the ROC veteran journalist said.

These influences will doubtless be expanded, spreading across the Chinese mainland in the coming decade, and they will eventually play supportive role in the process of China's peaceful reunification, Tsu noted.

The captive nations week conference opened in Los Angeles Monday. The former US President Ronald Reagan delivered the keynote speech "The Expanding Frontiers of World Freedom" at the opening ceremony of the conference.

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